

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 "A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 local government and to make an appropriation."
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) Except as
- 8 provided in subsection (b), if the balance, at the end of a state fiscal
- 9 year, in the fund exceeds seven percent (7%) of the total state general
- 10 fund revenues for that state fiscal year, the excess is appropriated from
- 11 the fund to the ~~property tax replacement state general~~ fund. ~~established~~
- 12 ~~under IC 6-1.1-21.~~ The auditor of state and the treasurer of state shall
- 13 transfer the amount so appropriated from the fund to the ~~property tax~~
- 14 ~~replacement state general~~ fund during the immediately following state
- 15 fiscal year.
- 16 (b) If an appropriation is made out of the fund under section 4 of this
- 17 chapter for a state fiscal year during which a transfer is to be made from
- 18 the fund to the ~~property tax replacement state general~~ fund ~~under~~
- 19 ~~subsection (a)~~, the amount of the appropriation made under subsection
- 20 (a) shall be reduced by the amount of the appropriation made under
- 21 section 4 of this chapter. However, the amount of the appropriation
- 22 made under subsection (a) may not be reduced to less than zero (0).
- 23 SECTION 2. IC 4-24-7-4, AS AMENDED BY P.L.246-2005,
- 24 SECTION 44, IS AMENDED TO READ AS FOLLOWS
- 25 [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) Accounts of state

institutions described in sections 1 and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in ~~IC 6-11-21~~, **IC 6-10-7**, reduce the next distribution of **certified** property tax replacement

1 ~~credits distribution~~ under ~~IC 6-1-1-21~~ **IC 6-10-7** to the county and  
 2 withhold the amount owed on the account. The auditor of state shall  
 3 credit the withheld amount to the state general fund for the purpose of  
 4 curing the default. The account is then considered paid. A county that  
 5 has the county's distribution reduced under this subsection shall apply  
 6 the withheld amount only to the county unit's share of the distribution  
 7 and may not reduce a distribution to any other civil taxing unit or  
 8 school corporation within the county.

9 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.246-2005,  
 10 SECTION 46, IS AMENDED TO READ AS FOLLOWS  
 11 [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) This subsection does not  
 12 apply to tax revenue remitted by an operating agent operating a  
 13 riverboat in a historic hotel district. After funds are appropriated under  
 14 section 4 of this chapter, each month the treasurer of state shall  
 15 distribute the tax revenue deposited in the state gaming fund under this  
 16 chapter to the following:

17 (1) The first thirty-three million dollars (\$33,000,000) of tax  
 18 revenues collected under this chapter shall be set aside for revenue  
 19 sharing under subsection (e).

20 (2) Subject to subsection (c), twenty-five percent (25%) of the  
 21 remaining tax revenue remitted by each licensed owner shall be  
 22 paid:

23 (A) to the city that is designated as the home dock of the  
 24 riverboat from which the tax revenue was collected, in the case  
 25 of:

26 (i) a city described in IC 4-33-12-6(b)(1)(A); or

27 (ii) a city located in a county having a population of more  
 28 than four hundred thousand (400,000) but less than seven  
 29 hundred thousand (700,000); or

30 (B) to the county that is designated as the home dock of the  
 31 riverboat from which the tax revenue was collected, in the case  
 32 of a riverboat whose home dock is not in a city described in  
 33 clause (A).

34 (3) Subject to subsection (d), the remainder of the tax revenue  
 35 remitted by each licensed owner shall be paid to the property tax  
 36 replacement fund. In each state fiscal year, the treasurer of state  
 37 shall make the transfer required by this subdivision not later than  
 38 the last business day of the month in which the tax revenue is  
 39 remitted to the state for deposit in the state gaming fund.  
 40 However, if tax revenue is received by the state on the last  
 41 business day in a month, the treasurer of state may transfer the tax  
 42 revenue to the property tax replacement fund in the immediately  
 43 following month.

44 (b) This subsection applies only to tax revenue remitted by an  
 45 operating agent operating a riverboat in a historic hotel district. After  
 46 funds are appropriated under section 4 of this chapter, each month the  
 47 treasurer of state shall distribute the tax revenue deposited in the state

gaming fund under this chapter as follows:

(1) Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement state general fund. ~~established under IC 6-1.1-21.~~

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement state general fund. ~~established under IC 6-1.1-21.~~

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in ~~IC 6-1.1-21~~ **IC 6-10-2-33**) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in ~~IC 6-1.1-21~~ **IC 6-10-2-33**) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where

the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under

subsubsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

1 (B) any amounts deducted under IC 6-3.1-20-7.

2 (h) This subsection applies only to a county containing a  
3 consolidated city. The county auditor shall distribute the money  
4 received by the county under subsection (e) as follows:

5 (1) To each city, other than a consolidated city, located in the  
6 county according to the ratio that the city's population bears to the  
7 total population of the county.

8 (2) To each town located in the county according to the ratio that  
9 the town's population bears to the total population of the county.

10 (3) After the distributions required in subdivisions (1) and (2) are  
11 made, the remainder shall be paid in equal amounts to the  
12 consolidated city and the county."

13 Page 6, between lines 5 and 6, begin a new paragraph and insert:

14 "SECTION 4. IC 5-13-6-3 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) All taxes  
16 collected by the county treasurer shall be deposited as one (1) fund in  
17 the several depositories selected for the deposit of county funds and,  
18 except as provided in subsection (b), remain in the depositories until  
19 distributed at the following semiannual distribution made by the county  
20 auditor.

21 (b) Every county treasurer who, by virtue of the treasurer's office,  
22 is the collector of any taxes for any political subdivision wholly or  
23 partly within the county shall, not later than thirty (30) days after  
24 receipt of a written request for funds filed with the treasurer by a proper  
25 officer of any political subdivision within the county, advance to that  
26 political subdivision a portion of the taxes collected before the  
27 semiannual distribution. The amount advanced may not exceed the  
28 lesser of:

29 (1) ninety-five percent (95%) of the total amount collected at the  
30 time of the advance; or

31 (2) ninety-five percent (95%) of the amount to be distributed at  
32 the semiannual distribution.

33 (c) Every county treasurer shall, not later than thirty (30) days after  
34 receipt of a written request for funds filed with the treasurer by a proper  
35 officer of any political subdivision within the county, advance to that  
36 political subdivision a part of the distributions received under  
37 ~~IC 6-1.1-21-10~~ **IC 6-10** from the ~~property tax replacement state~~  
38 **general** fund for the political subdivision. The amount advanced may  
39 not exceed the lesser of:

40 (1) ninety-five percent (95%) of the amount distributed from the  
41 fund to the county treasurer for the political subdivision at the  
42 time of the advance; or

43 (2) ninety-five percent (95%) of the total amount to be distributed  
44 by the county treasurer to the political subdivision on the next  
45 scheduled distribution date.

46 (d) Upon notice from the county treasurer of the amount to be  
47 advanced, the county auditor shall draw a warrant upon the county

1 treasurer for the amount. The amount of the advance must be available  
2 immediately for the use of the political subdivision.

3 (e) At the semiannual distribution all the advances made to any  
4 political subdivision under subsection (b) or (c) shall be deducted from  
5 the total amount due any political subdivision as shown by the  
6 distribution."

7 Page 24, between lines 19 and 20, begin a new paragraph and insert:

8 "SECTION 34. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005,  
9 SECTION 12, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JANUARY 1, 2007]: Sec. 31.5. (a) As used in this  
11 section, "assessment official" means any of the following:

12 (1) A county assessor.

13 (2) A township assessor.

14 (3) A township trustee-assessor.

15 (b) As used in this section, "department" refers to the department of  
16 local government finance.

17 (c) If the department makes a determination and informs local  
18 officials under section 31(c) of this chapter, the department may order  
19 a state conducted assessment or reassessment in the county subject to  
20 the time limitation in that subsection.

21 (d) If the department orders a state conducted assessment or  
22 reassessment in a county, the department shall assume the duties of the  
23 county's assessment officials. Notwithstanding sections 15 and 17 of  
24 this chapter, an assessment official in a county subject to an order  
25 issued under this section may not assess property or have property  
26 assessed for the assessment or general reassessment. Until the state  
27 conducted assessment or reassessment is completed under this section,  
28 the assessment or reassessment duties of an assessment official in the  
29 county are limited to providing the department or a contractor of the  
30 department the support and information requested by the department or  
31 the contractor.

32 (e) Before assuming the duties of a county's assessment officials, the  
33 department shall transmit a copy of the department's order requiring a  
34 state conducted assessment or reassessment to the county's assessment  
35 officials, the county fiscal body, the county auditor, and the county  
36 treasurer. Notice of the department's actions must be published one (1)  
37 time in a newspaper of general circulation published in the county. The  
38 department is not required to conduct a public hearing before taking  
39 action under this section.

40 (f) Township and county officials in a county subject to an order  
41 issued under this section shall, at the request of the department or the  
42 department's contractor, make available and provide access to all:

43 (1) data;

44 (2) records;

45 (3) maps;

46 (4) parcel record cards;

47 (5) forms;



- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
  - (A) approval of the form and amount of the bill; and
  - (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:
  - (A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(l) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall

1 notify the county's assessment officials of the land values determined  
2 under this subsection.

3 (n) A contractor of the department may notify the department if:

4 (1) a county auditor fails to:

5 (A) certify the contractor's bill;

6 (B) publish the contractor's claim;

7 (C) submit the contractor's claim to the county executive; or

8 (D) issue a warrant or check for payment of the contractor's  
9 bill;

10 as required by subsection (j) at the county auditor's first legal  
11 opportunity to do so;

12 (2) a county executive fails to allow the contractor's claim as  
13 legally required by subsection (j) at the county executive's first  
14 legal opportunity to do so; or

15 (3) a person or an entity authorized to act on behalf of the county  
16 takes or fails to take an action, including failure to request an  
17 appropriation, and that action or failure to act delays or halts  
18 progress under this section for payment of the contractor's bill.

19 (o) The department, upon receiving notice under subsection (n) from  
20 a contractor of the department, shall:

21 (1) verify the accuracy of the contractor's assertion in the notice  
22 that:

23 (A) a failure occurred as described in subsection (n)(1) or  
24 (n)(2); or

25 (B) a person or an entity acted or failed to act as described in  
26 subsection (n)(3); and

27 (2) provide to the treasurer of state the department's approval  
28 under subsection (j)(2)(A) of the contractor's bill with respect to  
29 which the contractor gave notice under subsection (n).

30 (p) Upon receipt of the department's approval of a contractor's bill  
31 under subsection (o), the treasurer of state shall pay the contractor the  
32 amount of the bill approved by the department from money in the  
33 possession of the state that would otherwise be available for distribution  
34 to the county, including distributions from the property tax replacement  
35 fund or distribution of admissions taxes or wagering taxes.

36 (q) The treasurer of state shall withhold from the money that would  
37 be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~,  
38 **IC 6-10**, or any other law to a county described in a notice provided  
39 under subsection (n) the amount of a payment made by the treasurer of  
40 state to the contractor of the department under subsection (p). Money  
41 shall be withheld first from the money payable to the county under  
42 ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the  
43 county.

44 (r) Compliance with subsections (n) through (q) constitutes  
45 compliance with IC 5-11-10.

46 (s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to  
47 the payment made in compliance with subsections (n) through (q). This

subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).".

Page 26, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 35. IC 6-1.1-4-35, AS AMENDED BY P.L.88-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a) This section applies to a county other than a county subject to section 32 of this chapter.

(b) This section applies to a general reassessment of real property conducted under section 4(a) of this chapter that is scheduled to become effective for property taxes first due and payable in 2003.

(c) As used in this section, "department" refers to the department of local government finance.

(d) As used in this section, "reassessment official" means:

- (1) a county assessor; or
- (2) a township assessor.

(e) If:

- (1) the department determines that a county's reassessment officials are unable to complete the reassessment in a timely manner; or
- (2) the department determines that a county's reassessment officials are likely to complete the reassessment in an inaccurate manner;

the department may order a state conducted reassessment in the county. The department may consider a reassessment in a county untimely if the county does not submit the county's equalization study to the department in the manner prescribed under 50 IAC 14 before October 20, 2003. The department may consider the reassessment work of a county's reassessment officials inaccurate if the department determines from a sample of the assessments completed in the county that there is a variance exceeding ten percent (10%) between the total assessed valuation of the real property within the sample and the total assessed valuation that would result if the real property within the sample were valued in the manner provided by law.

(f) If the department orders a state conducted reassessment in a county, the department shall assume the duties of the county's reassessment officials. Notwithstanding sections 15 and 17 of this chapter, a reassessment official in a county subject to an order issued under this section may not assess property or have property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. If no newspaper is published in the county, the notice shall be published in a newspaper:

- (1) of general circulation in the county; and
- (2) that is published in an adjacent county.

The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

- (1) is subject to appeal by the taxpayer under section 37 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 37 of this chapter.

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in

1 which the state conducted reassessment occurs. The county shall pay  
2 the bill under the procedures prescribed by subsection (l).

3 (l) A county subject to an order issued under this section shall pay  
4 the cost of a contract described in subsection (i), without appropriation,  
5 from the county's property reassessment fund. A contractor may  
6 periodically submit bills for partial payment of work performed under  
7 the contract. Notwithstanding any other law, a contractor is entitled to  
8 payment under this subsection for work performed under a contract if  
9 the contractor:

10 (1) submits to the department a fully itemized, certified bill in the  
11 form required by IC 5-11-10-1 for the costs of the work performed  
12 under the contract;

13 (2) obtains from the department:

14 (A) approval of the form and amount of the bill; and

15 (B) a certification that the billed goods and services have been  
16 received and comply with the contract; and

17 (3) files with the county auditor:

18 (A) a duplicate copy of the bill submitted to the department;

19 (B) proof of the department's approval of the form and amount  
20 of the bill; and

21 (C) the department's certification that the billed goods and  
22 services have been received and comply with the contract.

23 The department's approval and certification of a bill under subdivision  
24 (2) shall be treated as conclusively resolving the merits of a contractor's  
25 claim. Upon receipt of the documentation described in subdivision (3),  
26 the county auditor shall immediately certify that the bill is true and  
27 correct without further audit, publish the claim as required by  
28 IC 36-2-6-3, and submit the claim to the county executive. The county  
29 executive shall allow the claim, in full, as approved by the department,  
30 without further examination of the merits of the claim in a regular or  
31 special session that is held not less than three (3) days and not more  
32 than seven (7) days after the completion of the publication requirements  
33 under IC 36-2-6-3. Upon allowance of the claim by the county  
34 executive, the county auditor shall immediately issue a warrant or  
35 check for the full amount of the claim approved by the department.  
36 Compliance with this subsection constitutes compliance with section  
37 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The  
38 determination and payment of a claim in compliance with this  
39 subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f)  
40 and IC 36-2-6-9 do not apply to a claim submitted under this  
41 subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a  
42 claim in compliance with this subsection.

43 (m) Notwithstanding IC 4-13-2, a period of seven (7) days is  
44 permitted for each of the following to review and act under IC 4-13-2  
45 on a contract of the department entered into under this section:

46 (1) The commissioner of the Indiana department of administration.

47 (2) The director of the budget agency.

1 (3) The attorney general.

2 (n) If the money in a county's property reassessment fund is  
3 insufficient to pay for a reassessment conducted under this section, the  
4 department may increase the tax rate and tax levy of the county's  
5 property reassessment fund to pay the cost and expenses related to the  
6 reassessment.

7 (o) The department or the contractor of the department shall use the  
8 land values determined under section 13.6 of this chapter for a county  
9 subject to an order issued under this section to the extent that the  
10 department or the contractor finds that the land values reflect the true  
11 tax value of land, as determined under this article and the rules of the  
12 department. If the department or the contractor finds that the land  
13 values determined for the county under section 13.6 of this chapter do  
14 not reflect the true tax value of land, the department or the contractor  
15 shall determine land values for the county that reflect the true tax value  
16 of land, as determined under this article and the rules of the department.  
17 Land values determined under this subsection shall be used to the same  
18 extent as if the land values had been determined under section 13.6 of  
19 this chapter. The department or the contractor of the department shall  
20 notify the county's reassessment officials of the land values determined  
21 under this subsection.

22 (p) A contractor of the department may notify the department if:  
23 (1) a county auditor fails to:  
24 (A) certify the contractor's bill;  
25 (B) publish the contractor's claim;  
26 (C) submit the contractor's claim to the county executive; or  
27 (D) issue a warrant or check for payment of the contractor's  
28 bill;  
29 as required by subsection (l) at the county auditor's first legal  
30 opportunity to do so;  
31 (2) a county executive fails to allow the contractor's claim as  
32 legally required by subsection (l) at the county executive's first  
33 legal opportunity to do so; or  
34 (3) a person or an entity authorized to act on behalf of the county  
35 takes or fails to take an action, including failure to request an  
36 appropriation, and that action or failure to act delays or halts  
37 progress under this section for payment of the contractor's bill.

38 (q) The department, upon receiving notice under subsection (p) from  
39 a contractor of the department, shall:

40 (1) verify the accuracy of the contractor's assertion in the notice  
41 that:  
42 (A) a failure occurred as described in subsection (p)(1) or  
43 (p)(2); or  
44 (B) a person or an entity acted or failed to act as described in  
45 subsection (p)(3); and  
46 (2) provide to the treasurer of state the department's approval  
47 under subsection (l)(2)(A) of the contractor's bill with respect to

1 which the contractor gave notice under subsection (p).

2 (r) Upon receipt of the department's approval of a contractor's bill  
3 under subsection (q), the treasurer of state shall pay the contractor the  
4 amount of the bill approved by the department from money in the  
5 possession of the state that would otherwise be available for distribution  
6 to the county, including distributions from the property tax replacement  
7 fund or distribution of admissions taxes or wagering taxes.

8 (s) The treasurer of state shall withhold from the money that would  
9 be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~  
10 **IC 6-10**, or any other law to a county described in a notice provided  
11 under subsection (p) the amount of a payment made by the treasurer of  
12 state to the contractor of the department under subsection (r). Money  
13 shall be withheld first from the money payable to the county under  
14 ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the  
15 county.

16 (t) Compliance with subsections (p) through (s) constitutes  
17 compliance with IC 5-11-10.

18 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to  
19 the payment made in compliance with subsections (p) through (s). This  
20 subsection and subsections (p) through (s) must be interpreted liberally  
21 so that the state shall, to the extent legally valid, ensure that the  
22 contractual obligations of a county subject to this section are paid.  
23 Nothing in this section shall be construed to create a debt of the state.

24 (v) The provisions of this section are severable as provided in  
25 IC 1-1-1-8(b).

26 (w) This section expires January 1, 2007."

27 Page 45, between lines 6 and 7, begin a new paragraph and insert:

28 "SECTION 62. IC 6-1.1-12-37 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 37. (a) Each year  
30 a person who is entitled to receive the homestead credit provided under  
31 ~~IC 6-1.1-20-9~~ **IC 6-10-4** for property taxes payable in the following  
32 year is entitled to a standard deduction from the assessed value of the  
33 real property, mobile home not assessed as real property, or  
34 manufactured home not assessed as real property that qualifies for the  
35 homestead credit. The auditor of the county shall record and make the  
36 deduction for the person qualifying for the deduction.

37 (b) Except as provided in section 40.5 of this chapter, the total  
38 amount of the deduction that a person may receive under this section  
39 for a particular year is the lesser of:

- 40 (1) one-half (1/2) of the assessed value of the real property,  
41 mobile home not assessed as real property, or manufactured home  
42 not assessed as real property; or
- 43 (2) thirty-five thousand dollars (\$35,000).

44 (c) A person who has sold real property, a mobile home not assessed  
45 as real property, or a manufactured home not assessed as real property  
46 to another person under a contract that provides that the contract buyer  
47 is to pay the property taxes on the real property, mobile home, or



1 manufactured home may not claim the deduction provided under this  
 2 section with respect to that real property, mobile home, or  
 3 manufactured home."

4 Page 48, between lines 4 and 5, begin a new paragraph and insert:

5 "SECTION 65. IC 6-1.1-12-43 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 43. (a) For  
 7 purposes of this section:

8 (1) "benefit" refers to:

9 (A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,  
 10 31, 33, or 34 of this chapter; or

11 (B) the homestead credit under ~~IC 6-1.1-20.9-2~~; **IC 6-10-4**;

12 (2) "closing agent" means a person that closes a transaction;

13 (3) "customer" means an individual who obtains a loan in a  
 14 transaction; and

15 (4) "transaction" means a single family residential:

16 (A) first lien purchase money mortgage transaction; or

17 (B) refinancing transaction.

18 (b) Before closing a transaction after December 31, 2004, a closing  
 19 agent must provide to the customer the form referred to in subsection  
 20 (c).

21 (c) Before June 1, 2004, the department of local government finance  
 22 shall prescribe the form to be provided by closing agents to customers  
 23 under subsection (b). The department shall make the form available to  
 24 closing agents, county assessors, county auditors, and county treasurers  
 25 in hard copy and electronic form. County assessors, county auditors,  
 26 and county treasurers shall make the form available to the general  
 27 public. The form must:

28 (1) on one (1) side:

29 (A) list each benefit;

30 (B) list the eligibility criteria for each benefit; and

31 (C) indicate that a new application for a deduction under  
 32 section 1 of this chapter is required when residential real  
 33 property is refinanced;

34 (2) on the other side indicate:

35 (A) each action by; and

36 (B) each type of documentation from;

37 the customer required to file for each benefit; and

38 (3) be printed in one (1) of two (2) or more colors prescribed by  
 39 the department of local government finance that distinguish the  
 40 form from other documents typically used in a closing referred to  
 41 in subsection (b).

42 (d) A closing agent:

43 (1) may reproduce the form referred to in subsection (c);

44 (2) in reproducing the form, must use a print color prescribed by  
 45 the department of local government finance; and

46 (3) is not responsible for the content of the form referred to in  
 47 subsection (c) and shall be held harmless by the department of

1 local government finance from any liability for the content of the  
2 form.

3 (e) A closing agent to which this section applies shall document its  
4 compliance with this section with respect to each transaction in the  
5 form of verification of compliance signed by the customer.

6 (f) A closing agent is subject to a civil penalty of twenty-five dollars  
7 (\$25) for each instance in which the closing agent fails to comply with  
8 this section with respect to a customer. The penalty:

9 (1) may be enforced by the state agency that has administrative  
10 jurisdiction over the closing agent in the same manner that the  
11 agency enforces the payment of fees or other penalties payable to  
12 the agency; and

13 (2) shall be paid into the property tax replacement fund.

14 A closing agent is not liable for any other damages claimed by a  
15 customer because of the closing agent's mere failure to provide the  
16 appropriate document to the customer.

17 (g) The state agency that has administrative jurisdiction over a  
18 closing agent shall:

19 (1) examine the closing agent to determine compliance with this  
20 section; and

21 (2) impose and collect penalties under subsection (f)."

22 Page 75, delete lines 27 through 33, begin a new line block indented  
23 and insert:

24 "~~(6) To meet the requirements of the family and children's fund~~  
25 ~~for child services (as defined in IC 12-19-7-1).~~

26 ~~(7)~~ **(6)** To meet the requirements of the county hospital care for  
27 the indigent fund."

28 Page 78, line 12, delete "(2)".

29 Page 78, line 12, strike "IC 12-19-7."

30 Page 78, line 14, delete "(3)" and insert "**(2)**".

31 Page 90, between lines 3 and 4, begin a new paragraph and insert:

32 "SECTION 98. IC 6-1.1-20.4-1, AS ADDED BY P.L.246-2005,  
33 SECTION 61, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JANUARY 1, 2007]: Sec. 1. As used in this chapter,  
35 "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~  
36 **IC 6-10-2-16.**

37 SECTION 99. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005,  
38 SECTION 61, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) A political subdivision  
40 may adopt an ordinance or resolution each year to provide for the use  
41 of revenue for the purpose of providing a homestead credit the  
42 following year to homesteads. An ordinance must be adopted under this  
43 section before December 31 for credits to be provided in the following  
44 year. The ordinance applies only to the immediately following year.

45 (b) A homestead credit under this chapter is to be applied to the net  
46 property tax liability due on the homestead.

47 (c) A homestead credit under this chapter does not reduce the basis

for determining the state property tax replacement credit under IC 6-1.1-21 or the ~~state~~ homestead credit under ~~IC 6-1.1-20-9~~. **IC 6-10-4.**

SECTION 100. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1~~. **IC 6-10-2-16."**

Page 91, delete lines 32 through 42.

Delete pages 92 through 98.

Page 99, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Not later than September 1 of a year in which a general reassessment does not become effective, the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the general fund levies imposed by all school corporations with jurisdiction in the allocation area were determined under ~~IC 6-1.1-21~~ **IC 6-10-3** as in effect on January 1, 2001.

STEP TWO: The governing body shall estimate the amount of tax increment revenues it will receive in the next calendar year after implementation of the increase in the property tax credits payable under ~~IC 6-1.1-21~~, **IC 6-10-3** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

SECTION 104. IC 6-1.1-21.2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The department of local government finance shall approve an appeal filed under section 13 of this chapter if the department determines that:

- (1) the governing body's estimate of the tax replacement amount under section 11 of this chapter is reasonable;
- (2) a tax levy in excess of the amount determined under section 12(d) of this chapter would:

- (A) create a significant financial hardship on taxpayers residing in the district in which the governing body exercises jurisdiction;

1 (B) significantly reduce the benefits from the increase in the  
 2 property tax credits payable under ~~IC 6-1.1-21~~; **IC 6-10-3** as  
 3 amended by the general assembly in 2002, with respect to  
 4 general fund levies imposed by all school corporations with  
 5 jurisdiction in the district; or  
 6 (C) have a disproportionate impact on small businesses or low  
 7 income families or individuals; and  
 8 (3) the governing body has made reasonable efforts to limit its use  
 9 of the special fund for the allocation area to appropriations for  
 10 payments of:

11 (A) the principal and interest on loans or bonds;  
 12 (B) lease rentals on leases;  
 13 (C) amounts due on other contractual obligations; and  
 14 (D) additional credits described in IC 8-22-3.5-10(a),  
 15 IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5),  
 16 IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or  
 17 IC 36-7-30-25(b)(2)(E).

18 (b) In a year in which a general reassessment does not become  
 19 effective, the department of local government finance shall make a final  
 20 determination on an appeal filed under this section by December 1 of  
 21 the year. In a year in which a general reassessment becomes effective,  
 22 the department may extend the deadline under this subsection by giving  
 23 written notice to the appellant before the deadline.

24 (c) If the department approves an appeal filed under this section, it  
 25 shall order a distribution from the property tax replacement fund in the  
 26 amount determined under section 13(b) of this chapter in the same  
 27 manner as distributions are made under ~~IC 6-1.1-21-4~~; **IC 6-10-7**.

28 (d) If the department denies an appeal filed under section 13 of this  
 29 chapter, or does not grant the maximum permissible distribution under  
 30 section 13(b) of this chapter, the legislative body of the unit that  
 31 established the district may increase the levy imposed under this  
 32 chapter to an amount that, when combined with any distribution  
 33 received under this chapter, does not exceed the tax increment  
 34 replacement amount.

35 SECTION 105. IC 6-1.1-21.5-6 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The receipt  
 37 by the qualified taxing unit of the loan proceeds is not considered to be  
 38 part of the ad valorem property tax levy actually collected by the  
 39 qualified taxing unit for taxes first due and payable during a particular  
 40 calendar year for the purpose of calculating the levy excess under  
 41 IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified  
 42 taxing unit of any payment of delinquent tax owed by a taxpayer in  
 43 bankruptcy is considered to be part of the ad valorem property tax levy  
 44 actually collected by the qualified taxing unit for taxes first due and  
 45 payable during a particular calendar year for the purpose of calculating  
 46 the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

47 (b) The loan proceeds and any payment of delinquent tax may be

1 expended by the qualified taxing unit only to pay debts of the qualified  
 2 taxing unit that have been incurred pursuant to duly adopted  
 3 appropriations approved by the department of local government finance  
 4 for operating expenses.

5 (c) In the event the sum of the receipts of the qualified taxing unit  
 6 that are attributable to:

7 (1) the loan proceeds; and

8 (2) the payment of property taxes owed by a taxpayer in a  
 9 bankruptcy proceeding initially filed in 2000 and payable in 2001;  
 10 exceeds sixteen million dollars (\$16,000,000), the excess as received  
 11 during any calendar year or years shall be set aside and treated for the  
 12 calendar year when received as a levy excess subject to  
 13 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of  
 14 property taxes as provided in subdivision (2), the amount of property  
 15 tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to  
 16 such taxes is deemed to be a payment of such property taxes.

17 (d) As used in this section, "delinquent tax" means any tax owed by  
 18 a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is  
 19 not paid during the calendar year for which it was first due and payable.

20 SECTION 106. IC 6-1.1-21.7-11 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. Loan  
 22 proceeds shall be distributed to a taxing unit either on the same  
 23 schedule as **certified** property tax replacement ~~credits~~ **distributions** are  
 24 distributed under ~~IC 6-1.1-21~~ **IC 6-10-7** or another schedule to which  
 25 both the board and the taxing unit agree.

26 SECTION 107. IC 6-1.1-21.8-6, AS AMENDED BY P.L.4-2005,  
 27 SECTION 42, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) As used in this section,  
 29 "delinquent tax" means any tax:

30 (1) owed by a taxpayer in a bankruptcy proceeding initially filed  
 31 in 2001; and

32 (2) not paid during the calendar year in which it was first due and  
 33 payable.

34 (b) Except as provided in subsection (d), the proceeds of a loan  
 35 received by the qualified taxing unit under this chapter are not  
 36 considered to be part of the ad valorem property tax levy actually  
 37 collected by the qualified taxing unit for taxes first due and payable  
 38 during a particular calendar year for the purpose of calculating the levy  
 39 excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a  
 40 qualified taxing unit of any payment of delinquent tax owed by a  
 41 taxpayer in bankruptcy is considered to be part of the ad valorem  
 42 property tax levy actually collected by the qualified taxing unit for  
 43 taxes first due and payable during a particular calendar year for the  
 44 purpose of calculating the levy excess under IC 6-1.1-18.5-17 and  
 45 IC 6-1.1-19-1.7.

46 (c) The proceeds of a loan made under this chapter must first be used  
 47 to retire any outstanding loans made by the department of commerce

(including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to those taxes is considered to be a payment of those property taxes."

Page 105, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 109. IC 6-1.1-22-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year that begins after December 31, 2003:

(1) with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~ **IC 6-10-2-16**); and

(2) that are not payable in one (1) installment under section 9(b) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

- 1 (A) an installment payment that is earlier than May 10 of the
- 2 year in which the tax statement is mailed or transmitted;
- 3 (B) the first installment payment that is later than November
- 4 10 of the year in which the tax statement is mailed or
- 5 transmitted; or
- 6 (C) the last installment payment that is later than May 10 of the
- 7 year immediately following the year in which the tax statement
- 8 is mailed or transmitted; and

9 (2) shall:

- 10 (A) prescribe the form of the petition under subsection (b);
- 11 (B) determine the information required on the form; and
- 12 (C) notify the county fiscal body, the county auditor, and the
- 13 county treasurer of the department's determination on the
- 14 petition not later than twenty (20) days after receiving the
- 15 petition.

16 (d) Revenue from property taxes paid under this section in the year

17 immediately following the year in which the tax statement is mailed or

18 transmitted under section 8 of this chapter:

- 19 (1) is not considered in the determination of a levy excess under
- 20 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the
- 21 property taxes are paid; and

22 (2) may be:

- 23 (A) used to repay temporary loans entered into by a political
- 24 subdivision for; and
- 25 (B) expended for any other reason by a political subdivision in
- 26 the year the revenue is received under an appropriation from;
- 27 the year in which the tax statement is mailed or transmitted under
- 28 section 8 of this chapter."

29 Page 129, between lines 6 and 7, begin a new paragraph and insert:

30 "SECTION 18. IC 6-1.1-37-10.5 IS AMENDED TO READ AS

31 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10.5. (a) This

32 section applies only to property taxes first due and payable in 2004 with

33 respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ IC 6-10-2).

34 (b) A county may petition the department of local government

35 finance to waive all or part of the penalty imposed under section 10(a)

36 of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the

37 county auditor, and the county treasurer must approve a petition under

38 this subsection.

39 (c) The department of local government finance shall:

- 40 (1) prescribe the form of the petition under subsection (b);
- 41 (2) determine the information required on the form; and
- 42 (3) notify the county fiscal body, the county auditor, and the
- 43 county treasurer of the department's determination on the petition
- 44 not later than thirty (30) days after receipt of the petition.

45 SECTION 19. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005,

46 SECTION 46, IS AMENDED TO READ AS FOLLOWS

47 [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) A declaratory ordinance

adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection



1 (a)(2).

2 (c) For the purpose of allocating taxes levied by or for any taxing  
3 unit or units, the assessed value of taxable property in a territory in the  
4 economic development district that is annexed by any taxing unit after  
5 the effective date of the allocation provision of the declaratory  
6 ordinance is the lesser of:

7 (1) the assessed value of the property for the assessment date with  
8 respect to which the allocation and distribution is made; or

9 (2) the base assessed value.

10 (d) Notwithstanding any other law, each assessor shall, upon petition  
11 of the fiscal body, reassess the taxable property situated upon or in, or  
12 added to, the economic development district effective on the next  
13 assessment date after the petition.

14 (e) Notwithstanding any other law, the assessed value of all taxable  
15 property in the economic development district, for purposes of tax  
16 limitation, property tax replacement (except as provided in  
17 IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and  
18 formulation of the budget, tax rate, and tax levy for each political  
19 subdivision in which the property is located is the lesser of:

20 (1) the assessed value of the property as valued without regard to  
21 this section; or

22 (2) the base assessed value.

23 (f) The state board of accounts and department of local government  
24 finance shall make the rules and prescribe the forms and procedures that  
25 they consider expedient for the implementation of this chapter. After  
26 each general reassessment under IC 6-1.1-4, the department of local  
27 government finance shall adjust the base assessed value one (1) time to  
28 neutralize any effect of the general reassessment on the property tax  
29 proceeds allocated to the district under this section. However, the  
30 adjustment may not include the effect of property tax abatements under  
31 IC 6-1.1-12.1.

32 (g) As used in this section, "property taxes" means:

33 (1) taxes imposed under this article on real property; and

34 (2) any part of the taxes imposed under this article on depreciable  
35 personal property that the unit has by ordinance allocated to the  
36 economic development district. However, the ordinance may not  
37 limit the allocation to taxes on depreciable personal property with  
38 any particular useful life or lives.

39 If a unit had, by ordinance adopted before May 8, 1987, allocated to an  
40 economic development district property taxes imposed under IC 6-1.1  
41 on depreciable personal property that has a useful life in excess of eight  
42 (8) years, the ordinance continues in effect until an ordinance is  
43 adopted by the unit under subdivision (2).

44 (h) As used in this section, "base assessed value" means:

45 (1) the net assessed value of all the property as finally determined  
46 for the assessment date immediately preceding the effective date  
47 of the allocation provision of the declaratory resolution, as

adjusted under subsection (f); plus  
 (2) to the extent that it is not included in subdivision (1), the net  
 assessed value of property that is assessed as residential property  
 under the rules of the department of local government finance, as  
 finally determined for any assessment date after the effective date  
 of the allocation provision.

Subdivision (2) applies only to economic development districts  
 established after June 30, 1997, and to additional areas established after  
 June 30, 1997.

SECTION 20. IC 6-1.1-39-6 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) An  
 economic development district may be enlarged by the fiscal body by  
 following the same procedure for the creation of an economic  
 development district specified in this chapter. Property taxes that are  
 attributable to the additional area and allocable to the economic  
 development district are not eligible for the property tax replacement  
 credit provided by ~~IC 6-1.1-21-5~~ **IC 6-10-3**. However, subject to  
 subsection (c) and except as provided in subsection (f), each taxpayer  
 in an additional area is entitled to an additional credit for taxes (as  
 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9 are due  
 and payable in May and November of that year. Except as provided in  
 subsection (f), one-half (1/2) of the credit shall be applied to each  
 installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). This credit  
 equals the amount determined under the following STEPS for each  
 taxpayer in a taxing district in a county that contains all or part of the  
 additional area:

STEP ONE: Determine that part of the sum of the amounts under  
~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ **IC 6-10-3** that is  
 attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement  
 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year  
 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is  
 attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in  
~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that  
 would have been allocated to a special fund under section 5 of  
 this chapter had the additional credit described in this section  
 not been given.

The additional credit reduces the amount of proceeds allocated to the  
 economic development district and paid into a special fund under  
 section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under  
 subsection (c) or (d), the credit for property tax replacement under

~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) first due and payable in each year following the year in which the resolution is rescinded.

(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~

1 **IC 6-10-2).**".

2 Page 142, between lines 31 and 32, begin a new paragraph and  
3 insert:

4 "SECTION 21. IC 6-2.5-10-1 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) The  
6 department shall account for all state gross retail and use taxes that it  
7 collects.

8 (b) The department shall deposit those collections in the following  
9 manner:

10 ~~(1) Fifty percent (50%) of the collections shall be paid into the~~  
11 ~~property tax replacement fund established under IC 6-1.1-21.~~

12 ~~(2) (1) Forty-nine~~ **Ninety-nine** and one hundred ninety-two  
13 thousandths percent ~~(49.192%)~~ **(99.192%)** of the collections shall  
14 be paid into the state general fund.

15 ~~(3) (2)~~ Six hundred thirty-five thousandths of one percent  
16 (0.635%) of the collections shall be paid into the public mass  
17 transportation fund established by IC 8-23-3-8.

18 ~~(4) (3)~~ Thirty-three thousandths of one percent (0.033%) of the  
19 collections shall be deposited into the industrial rail service fund  
20 established under IC 8-3-1.7-2.

21 ~~(5) (4)~~ Fourteen-hundredths of one percent (0.14%) of the  
22 collections shall be deposited into the commuter rail service fund  
23 established under IC 8-3-1.5-20.5.

24 SECTION 22. IC 6-3-2-1 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Each  
26 taxable year, a tax at the rate of ~~three and four-tenths two and~~  
27 **thirty-seven hundredths** percent ~~(3.4%)~~ **(2.37%)** of adjusted gross  
28 income is imposed upon the adjusted gross income of every resident  
29 person, and on that part of the adjusted gross income derived from  
30 sources within Indiana of every nonresident person.

31 (b) Except as provided in section 1.5 of this chapter, each taxable  
32 year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted  
33 gross income is imposed on that part of the adjusted gross income  
34 derived from sources within Indiana of every corporation.

35 SECTION 23. IC 6-3-7-3 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. ~~(a)~~ All  
37 revenues derived from collection of the adjusted gross income tax  
38 ~~imposed on corporations~~ shall be deposited in the state general fund.

39 ~~(b) All revenues derived from collection of the adjusted gross~~  
40 ~~income tax imposed on persons~~ shall be deposited as follows:

41 ~~(1) Eighty-six percent (86%) in the state general fund:~~

42 ~~(2) Fourteen percent (14%) in the property tax replacement fund:~~

43 SECTION 24. IC 6-3.1-20-2 IS AMENDED TO READ AS  
44 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this  
45 chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~  
46 **IC 6-10-2.**

47 SECTION 25. IC 6-3.5-6-13 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) A county  
 2 income tax council of a county in which the county option income tax  
 3 is in effect may adopt an ordinance to increase the percentage credit  
 4 allowed for homesteads in its county under IC 6-1.1-20.9-2.

5 (b) A county income tax council may not increase the percentage  
 6 credit allowed for homesteads by an amount that exceeds the amount  
 7 determined in the last STEP of the following formula:

8 STEP ONE: Determine the amount of the sum of all property tax  
 9 levies for all taxing units in a county which are to be paid in the  
 10 county in 2003 as reflected by the auditor's abstract for the 2002  
 11 assessment year, adjusted, however, for any postabstract  
 12 adjustments which change the amount of the levies.

13 STEP TWO: Determine the amount of the county's estimated  
 14 property tax replacement under IC 6-1.1-21-3(a) (**repealed**) for  
 15 property taxes first due and payable in 2003.

16 STEP THREE: Subtract the STEP TWO amount from the STEP  
 17 ONE amount.

18 STEP FOUR: Determine the amount of the county's total county  
 19 levy (as defined in ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2**) for property taxes  
 20 first due and payable in 2003.

21 STEP FIVE: Subtract the STEP FOUR amount from the STEP  
 22 ONE amount.

23 STEP SIX: Subtract the STEP FIVE result from the STEP  
 24 THREE result.

25 STEP SEVEN: Divide the STEP THREE result by the STEP SIX  
 26 result.

27 STEP EIGHT: Multiply the STEP SEVEN result by  
 28 eight-hundredths (0.08).

29 STEP NINE: Round the STEP EIGHT product to the nearest  
 30 one-thousandth (0.001) and express the result as a percentage.

31 (c) The increase of the homestead credit percentage must be uniform  
 32 for all homesteads in a county.

33 (d) In the ordinance that increases the homestead credit percentage,  
 34 a county income tax council may provide for a series of increases or  
 35 decreases to take place for each of a group of succeeding calendar  
 36 years.

37 (e) An ordinance may be adopted under this section after January 1  
 38 but before June 1 of a calendar year.

39 (f) An ordinance adopted under this section takes effect on January  
 40 1 of the next succeeding calendar year.

41 (g) Any ordinance adopted under this section for a county is  
 42 repealed for a year if on January 1 of that year the county option  
 43 income tax is not in effect."

44 Page 144, line 5, delete "and".

45 Page 144, line 5, strike "IC 12-19-7".

46 Page 144, line 11, delete "and".

47 Page 144, line 11, strike "IC 12-19-7".

- 1 Page 144, line 33, delete "and".
- 2 Page 144, line 33, strike "IC 12-19-7".
- 3 Page 144, line 40, delete "and".
- 4 Page 144, line 40, strike "IC 12-19-7".
- 5 Page 145, between lines 2 and 3, begin a new paragraph and insert:
- 6 "SECTION 26. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005,
- 7 SECTION 20, IS AMENDED TO READ AS FOLLOWS
- 8 [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Except as provided in
- 9 subsection (c), the county economic development income tax may be
- 10 imposed on the adjusted gross income of county taxpayers. The entity
- 11 that may impose the tax is:
- 12 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 13 the county option income tax is in effect on January 1 of the year
- 14 the county economic development income tax is imposed;
- 15 (2) the county council if the county adjusted gross income tax is
- 16 in effect on January 1 of the year the county economic
- 17 development tax is imposed; or
- 18 (3) the county income tax council or the county council,
- 19 whichever acts first, for a county not covered by subdivision (1)
- 20 or (2).
- 21 To impose the county economic development income tax, a county
- 22 income tax council shall use the procedures set forth in IC 6-3.5-6
- 23 concerning the imposition of the county option income tax.
- 24 (b) Except as provided in subsections (c), (g), (k), (p), and (r) the
- 25 county economic development income tax may be imposed at a rate of:
- 26 (1) one-tenth percent (0.1%);
- 27 (2) two-tenths percent (0.2%);
- 28 (3) twenty-five hundredths percent (0.25%);
- 29 (4) three-tenths percent (0.3%);
- 30 (5) thirty-five hundredths percent (0.35%);
- 31 (6) four-tenths percent (0.4%);
- 32 (7) forty-five hundredths percent (0.45%); or
- 33 (8) five-tenths percent (0.5%);
- 34 on the adjusted gross income of county taxpayers.
- 35 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
- 36 (p), or (s), the county economic development income tax rate plus the
- 37 county adjusted gross income tax rate, if any, that are in effect on
- 38 January 1 of a year may not exceed one and twenty-five hundredths
- 39 percent (1.25%). Except as provided in subsection (g), (p), (r), or (t),
- 40 the county economic development tax rate plus the county option
- 41 income tax rate, if any, that are in effect on January 1 of a year may not
- 42 exceed one percent (1%).
- 43 (d) To impose, increase, decrease, or rescind the county economic
- 44 development income tax, the appropriate body must, after January 1 but
- 45 before April 1 of a year, adopt an ordinance. The ordinance to impose
- 46 the tax must substantially state the following:
- 47 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic

development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in

- 1 subsection (p), in addition to the rates permitted under subsection (b):  
 2 (1) the county economic development income tax may be imposed  
 3 at a rate of twenty-five hundredths percent (0.25%); and  
 4 (2) the sum of the county economic development income tax rate  
 5 and the county adjusted gross income tax rate that are in effect on  
 6 January 1 of a year may not exceed one and five-tenths percent  
 7 (1.5%);  
 8 if the county council makes a determination to impose rates under this  
 9 subsection and section 22.5 of this chapter.
- 10 (l) For a county having a population of more than twenty-nine  
 11 thousand (29,000) but less than thirty thousand (30,000), except as  
 12 provided in subsection (p), the county economic development income  
 13 tax rate plus the county adjusted gross income tax rate that are in effect  
 14 on January 1 of a year may not exceed one and five-tenths percent  
 15 (1.5%).
- 16 (m) For:
- 17 (1) a county having a population of more than one hundred  
 18 eighty-two thousand seven hundred ninety (182,790) but less than  
 19 two hundred thousand (200,000); or  
 20 (2) a county having a population of more than forty-five thousand  
 21 (45,000) but less than forty-five thousand nine hundred (45,900);  
 22 except as provided in subsection (p), the county economic development  
 23 income tax rate plus the county adjusted gross income tax rate that are  
 24 in effect on January 1 of a year may not exceed one and five-tenths  
 25 percent (1.5%).
- 26 (n) For a county having a population of more than six thousand  
 27 (6,000) but less than eight thousand (8,000), except as provided in  
 28 subsection (p), the county economic development income tax rate plus  
 29 the county adjusted gross income tax rate that are in effect on January  
 30 1 of a year may not exceed one and five-tenths percent (1.5%).
- 31 (o) This subsection applies to a county having a population of more  
 32 than thirty-nine thousand (39,000) but less than thirty-nine thousand six  
 33 hundred (39,600). Except as provided in subsection (p), in addition to  
 34 the rates permitted under subsection (b):
- 35 (1) the county economic development income tax may be imposed  
 36 at a rate of twenty-five hundredths percent (0.25%); and  
 37 (2) the sum of the county economic development income tax rate  
 38 and:
- 39 (A) the county adjusted gross income tax rate that are in effect  
 40 on January 1 of a year may not exceed one and five-tenths  
 41 percent (1.5%); or  
 42 (B) the county option income tax rate that are in effect on  
 43 January 1 of a year may not exceed one and twenty-five  
 44 hundredths percent (1.25%);  
 45 if the county council makes a determination to impose rates under this  
 46 subsection and section 24 of this chapter.
- 47 (p) In addition:



(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2**) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 27. IC 6-3.5-7-13.1, AS AMENDED BY P.L.118-2005, SECTION 2, AND AS AMENDED BY P.L.214-2005, SECTION 21,

1 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JANUARY 1, 2007]: Sec. 13.1. (a) The fiscal officer of  
 3 each county, city, or town for a county in which the county economic  
 4 development tax is imposed shall establish an economic development  
 5 income tax fund. Except as provided in sections 23, 25, 26, and 27 of  
 6 this chapter, the revenue received by a county, city, or town under this  
 7 chapter shall be deposited in the unit's economic development income  
 8 tax fund.

9 (b) Except as provided in sections 15, 23, 25, 26, and 27 of this  
 10 chapter, revenues from the county economic development income tax  
 11 may be used as follows:

12 (1) By a county, city, or town for economic development projects,  
 13 for paying, notwithstanding any other law, under a written  
 14 agreement all or a part of the interest owed by a private developer  
 15 or user on a loan extended by a financial institution or other lender  
 16 to the developer or user if the proceeds of the loan are or are to be  
 17 used to finance an economic development project, for the  
 18 retirement of bonds under section 14 of this chapter for economic  
 19 development projects, for leases under section 21 of this chapter,  
 20 or for leases or bonds entered into or issued prior to the date the  
 21 economic development income tax was imposed if the purpose of  
 22 the lease or bonds would have qualified as a purpose under this  
 23 chapter at the time the lease was entered into or the bonds were  
 24 issued.

25 (2) By a county, city, or town for:

26 (A) the construction or acquisition of, or remedial action with  
 27 respect to, a capital project for which the unit is empowered to  
 28 issue general obligation bonds or establish a fund under any  
 29 statute listed in IC 6-1.1-18.5-9.8;

30 (B) the retirement of bonds issued under any provision of  
 31 Indiana law for a capital project;

32 (C) the payment of lease rentals under any statute for a capital  
 33 project;

34 (D) contract payments to a nonprofit corporation whose  
 35 primary corporate purpose is to assist government in planning  
 36 and implementing economic development projects;

37 (E) operating expenses of a governmental entity that plans or  
 38 implements economic development projects;

39 (F) to the extent not otherwise allowed under this chapter,  
 40 funding substance removal or remedial action in a designated  
 41 unit; or

42 (G) funding of a revolving fund established under  
 43 IC 5-1-14-14.

44 (3) *By a county, city, or town for any lawful purpose for which*  
 45 *money in any of its other funds may be used.*

46 ~~➔~~ (4) *By a city or county described in IC 36-7.5-2-3(b) for*  
 47 *making transfers required by IC 36-7.5-4-2. If the county*

economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(4)~~ **(5)**.

~~(4)~~ **(5)** This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(3)~~ **(4)** that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under

1 IC 6-1.1.

2 (D) The department of local government finance shall  
3 determine the additional homestead credit percentage for a  
4 particular year based on the amount of county economic  
5 development income tax revenue that will be used under this  
6 subdivision to provide additional homestead credits in that  
7 year.

8 ~~(5)~~ (6) This subdivision applies only in a county having a  
9 population of more than four hundred thousand (400,000) but less  
10 than seven hundred thousand (700,000). Except as otherwise  
11 provided, the procedures and definitions in ~~IC 6-1.1-20.9~~  
12 **IC 6-10-2** apply to this subdivision. A county or a city or town in  
13 the county may use county economic development income tax  
14 revenue to provide additional homestead credits in the county,  
15 city, or town. The following apply to additional homestead credits  
16 provided under this subdivision:

17 (A) The county, city, or town fiscal body must adopt an  
18 ordinance authorizing the additional homestead credits. The  
19 ordinance must:

20 (i) be adopted before September 1 of a year to apply to  
21 property taxes first due and payable in the following year;  
22 and

23 (ii) specify the amount of county economic development  
24 income tax revenue that will be used to provide additional  
25 homestead credits in the following year.

26 (B) A county, city, or town fiscal body that adopts an  
27 ordinance under this subdivision must forward a copy of the  
28 ordinance to the county auditor and the department of local  
29 government finance not more than thirty (30) days after the  
30 ordinance is adopted.

31 (C) The additional homestead credits must be applied  
32 uniformly to increase the homestead credit under  
33 ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or  
34 town.

35 (D) The additional homestead credits shall be treated for all  
36 purposes as property tax levies. The additional homestead  
37 credits do not reduce the basis for determining the ~~state~~  
38 property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3**  
39 or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

40 (E) The additional homestead credits shall be applied to the  
41 net property taxes due on the homestead after the application  
42 of all other assessed value deductions or property tax  
43 deductions and credits that apply to the amount owed under  
44 IC 6-1.1.

45 (F) The department of local government finance shall  
46 determine the additional homestead credit percentage for a  
47 particular year based on the amount of county economic

*development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.*

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

*(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.*

SECTION 28. IC 6-3.5-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this

subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district.

1 However, a public library is eligible to receive property tax replacement  
 2 credits under this section only if it has entered into reciprocal  
 3 borrowing agreements with all other public libraries in the county. If  
 4 the total amount of county economic development income tax revenue  
 5 deposited by the county auditor in the library property tax replacement  
 6 fund for a calendar year exceeds the total property tax liability that  
 7 would otherwise be imposed for public libraries in the county for the  
 8 year, the excess shall remain in the library property tax replacement  
 9 fund and shall be used for library property tax replacement purposes in  
 10 the following calendar year.

11 (f) Notwithstanding subsection (e), if a public library did not impose  
 12 a property tax levy during the previous calendar year, that public library  
 13 is entitled to receive a part of the property tax replacement credits to be  
 14 distributed for the calendar year. The amount of property tax  
 15 replacement credits the public library is entitled to receive during the  
 16 calendar year equals the product of:

- 17 (1) the amount of revenue deposited in the library property tax  
 18 replacement fund; multiplied by
- 19 (2) a fraction. The numerator of the fraction equals the budget of  
 20 the public library for that calendar year. The denominator of the  
 21 fraction equals the aggregate budgets of public libraries in the  
 22 county for that calendar year.

23 If for a calendar year a public library is allocated a part of the property  
 24 tax replacement credits under this subsection, then the amount of  
 25 property tax credits distributed to other public libraries in the county for  
 26 the calendar year shall be reduced by the amount to be distributed as  
 27 property tax replacement credits under this subsection. The department  
 28 of local government finance shall make any adjustments required by  
 29 this subsection and provide the adjustments to the county auditor.

30 (g) The department of local government finance shall inform the  
 31 county auditor of the amount of property tax replacement credits that  
 32 each public library in the county is entitled to receive under this section.  
 33 The county auditor shall certify to each public library the amount of  
 34 property tax replacement credits that the public library is entitled to  
 35 receive during that calendar year. The county auditor shall also certify  
 36 these amounts to the county treasurer.

37 (h) A public library receiving property tax replacement credits under  
 38 this section shall allocate the credits among each fund for which a  
 39 distinct property tax levy is imposed. The amount that must be allocated  
 40 to each fund equals:

- 41 (1) the amount of property tax replacement credits provided to the  
 42 public library under this section; multiplied by
- 43 (2) the amount determined in STEP THREE of the following  
 44 formula:

45 STEP ONE: Determine the property taxes that would have  
 46 been collected for each fund by the public library during the  
 47 previous calendar year if the property tax replacement under

1 this section had not been in effect.  
 2 STEP TWO: Determine the sum of the total property taxes that  
 3 would have been collected for all funds by the public library  
 4 during the previous calendar year if the property tax  
 5 replacement under this section had not been in effect.  
 6 STEP THREE: Divide the STEP ONE amount by the STEP  
 7 TWO amount.

8 However, if a public library did not impose a property tax levy during  
 9 the previous calendar year or did not impose a property tax levy for a  
 10 particular fund during the previous calendar year, but the public library  
 11 is imposing a property tax levy in the current calendar year or is  
 12 imposing a property tax levy for the particular fund in the current  
 13 calendar year, the department of local government finance shall adjust  
 14 the amount of property tax replacement credits allocated among the  
 15 various funds of the public library and shall provide the adjustment to  
 16 the county auditor. If a public library receiving property tax  
 17 replacement credits under this section does not impose a property tax  
 18 levy for a particular fund that is first due and payable in a calendar year  
 19 in which the property tax replacement credits are being distributed, the  
 20 public library is not required to allocate to that fund a part of the  
 21 property tax replacement credits to be distributed to the public library.  
 22 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives  
 23 property tax replacement credits under this section is subject to the  
 24 procedures for the issuance of bonds set forth in IC 6-1.1-20.

25 (i) For each public library that receives property tax credits under  
 26 this section, the department of local government finance shall certify to  
 27 the county auditor the property tax rate applicable to each fund after the  
 28 property tax replacement credits are allocated.

29 (j) A public library shall treat property tax replacement credits  
 30 received during a particular calendar year under this section as a part of  
 31 the public library's property tax levy for each fund for that same  
 32 calendar year for purposes of fixing the public library's budget and for  
 33 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

34 (k) The property tax replacement credits that are received under this  
 35 section do not reduce the total county tax levy that is used to compute  
 36 the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~. **IC 6-10-3.**  
 37 For the purpose of computing and distributing certified distributions  
 38 under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the  
 39 property tax replacement credits that are received under this section  
 40 shall be treated as though they were property taxes that were due and  
 41 payable during that same calendar year.

42 SECTION 29. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005,  
 43 SECTION 24, IS AMENDED TO READ AS FOLLOWS  
 44 [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) This section applies  
 45 only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

46 (b) For purposes of this section, "imposing entity" means the entity  
 47 that adopted the ordinance under IC 6-1.1-12-41(f).



(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before June 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;
- (2) must specify the calendar years to which the ordinance applies; and
- (3) must specify that the certified distribution must be used to provide for:
  - (A) uniformly applied increased homestead credits as provided in subsection (f); or
  - (B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (i); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision

1 (2).

2 (g) The increased percentage of homestead credit determined by the  
3 county auditor under subsection (f) applies uniformly in the county in  
4 the calendar year for which the increased percentage is determined.

5 (h) If the imposing entity specifies the application of allocated  
6 increased homestead credits under subsection (c)(3)(B), the county  
7 auditor shall, for each calendar year in which an increased homestead  
8 credit is authorized under this section, determine:

9 (1) the amount of the certified distribution that is available to  
10 provide an increased homestead credit for the year; and

11 (2) an increased percentage of homestead credit for each taxing  
12 district in the county that allocates to the taxing district an amount  
13 of increased homestead credits that bears the same proportion to  
14 the amount determined under subdivision (1) that the amount of  
15 inventory assessed value deducted under IC 6-1.1-12-41 in the  
16 taxing district for the immediately preceding year's assessment  
17 date bears to the total inventory assessed value deducted under  
18 IC 6-1.1-12-41 in the county for the immediately preceding year's  
19 assessment date.

20 (i) The county auditor shall retain from the payments of the county's  
21 certified distribution an amount equal to the revenue lost, if any, due to  
22 the increase of the homestead credit within the county. The money shall  
23 be distributed to the civil taxing units and school corporations of the  
24 county:

25 (1) as if the money were from property tax collections; and

26 (2) in such a manner that no civil taxing unit or school corporation  
27 will suffer a net revenue loss because of the allowance of an  
28 increased homestead credit.

29 (j) An entity authorized to adopt:

30 (1) an ordinance under subsection (c); and

31 (2) an ordinance under IC 6-1.1-12-41(f);

32 may consolidate the two (2) ordinances. The limitation under  
33 subsection (c) that an ordinance must be adopted after January 1 of a  
34 calendar year does not apply if a consolidated ordinance is adopted  
35 under this subsection. However, notwithstanding subsection (c)(1), the  
36 ordinance must state that it first applies to certified distributions in the  
37 calendar year in which property taxes are initially affected by the  
38 deduction under IC 6-1.1-12-41.

39 SECTION 30. IC 6-3.5-7-26, AS AMENDED BY P.L.199-2005,  
40 SECTION 26, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JANUARY 1, 2007]: Sec. 26. (a) This section applies  
42 only to homestead credits for property taxes first due and payable after  
43 calendar year 2006.

44 (b) For purposes of this section, "adopting entity" means:

45 (1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

46 (2) any other entity that may impose a county economic  
47 development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and
- (2) must specify that the certified distribution must be used to provide for:
  - (A) uniformly applied increased homestead credits as provided in subsection (f); or
  - (B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (i); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20-9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the

1 county auditor under subsection (f) applies uniformly in the county in  
 2 the calendar year for which the increased percentage is determined.

3 (h) If the imposing entity specifies the application of allocated  
 4 increased homestead credits under subsection (c)(2)(B), the county  
 5 auditor shall, for each calendar year in which an increased homestead  
 6 credit is authorized under this section, determine:

7 (1) the amount of the certified distribution that is available to  
 8 provide an increased homestead credit for the year; and

9 (2) except as provided in subsection (j), an increased percentage  
 10 of homestead credit for each taxing district in the county that  
 11 allocates to the taxing district an amount of increased homestead  
 12 credits that bears the same proportion to the amount determined  
 13 under subdivision (1) that the amount of inventory assessed value  
 14 deducted under IC 6-1.1-12-42 in the taxing district for the  
 15 immediately preceding year's assessment date bears to the total  
 16 inventory assessed value deducted under IC 6-1.1-12-42 in the  
 17 county for the immediately preceding year's assessment date.

18 (i) The county auditor shall retain from the payments of the county's  
 19 certified distribution an amount equal to the revenue lost, if any, due to  
 20 the increase of the homestead credit within the county. The money shall  
 21 be distributed to the civil taxing units and school corporations of the  
 22 county:

23 (1) as if the money were from property tax collections; and

24 (2) in such a manner that no civil taxing unit or school corporation  
 25 will suffer a net revenue loss because of the allowance of an  
 26 increased homestead credit.

27 (j) Subject to the approval of the imposing entity, the county auditor  
 28 may adjust the increased percentage of homestead credit determined  
 29 under subsection (h)(2) if the county auditor determines that the  
 30 adjustment is necessary to achieve an equitable reduction of property  
 31 taxes among the homesteads in the county."

32 Page 146, strike lines 1 through 22.

33 Page 146, line 23, delete "child welfare".

34 Page 146, line 23, strike "fund of the qualifying county in which  
 35 the".

36 Page 146, strike lines 24 through 25.

37 Page 146, line 26, strike "county's".

38 Page 146, line 26, delete "child welfare".

39 Page 146, line 26, strike "fund as described in".

40 Page 146, strike lines 27 through 28.

41 Page 146, line 29, delete "child welfare".

42 Page 146, line 29, strike "fund levy under".

43 Page 146, line 29, delete "IC 12-19-7".

44 Page 146, line 29, strike "for".

45 Page 146, strike lines 30 through 31.

46 Page 146, line 32, strike "(g)" and insert "(d)".

47 Page 146, line 42, strike "(h)" and insert "(e)".

Page 147, between lines 7 and 8, begin a new paragraph and insert:  
 "SECTION 31. IC 6-3.5-8-20 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The  
 department of local government finance shall each year reduce the  
 general fund property tax levy of a municipality receiving a distribution  
 under this chapter in that year. The municipality's general fund property  
 tax levy shall be reduced by the amount of the distribution received or  
 to be received by the municipality during the year. The department of  
 local government finance shall certify to the auditor of the qualifying  
 county the property tax rate applicable to the municipality's general  
 fund after the property tax reduction under this section.

(b) A municipality shall treat a distribution that the municipality  
 receives or is to receive during a particular calendar year as a part of the  
 municipality's property tax levy for the general fund for that same  
 calendar year for purposes of fixing the municipality's budget and for  
 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.  
 However, the distributions shall not reduce the total county tax levy  
 that is used to compute the state property tax replacement credit under  
~~IC 6-1.1-21.~~ **IC 6-10-3.** In addition, for purposes of computing and  
 distributing any excise taxes or income taxes in which the distribution  
 is based on property taxes, the distributions shall be treated as though  
 they were property taxes that were due and payable during that same  
 calendar year.

(c) A municipality may use distributions received under this chapter  
 for any purpose for which the municipality may use property tax  
 revenues.

SECTION 32. IC 6-5.5-8-2 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) On or  
 before February 1, May 1, August 1, and December 1 of each year the  
 auditor of state shall transfer to each county auditor for distribution to  
 the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount  
 equal to one-fourth (1/4) of the sum of the guaranteed amounts for all  
 the taxing units of the county. On or before August 1 of each year the  
 auditor of state shall transfer to each county auditor the supplemental  
 distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c),  
 the department of local government finance shall determine a state  
 welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation  
 for each county equals the greater of zero (0) or the amount  
 determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for  
 the county's county welfare fund and county welfare  
 administration fund; divided by

(B) the amounts appropriated by all the taxing units in the  
 county in the year.

- 1 STEP TWO: Determine the sum of the results determined in
- 2 STEP ONE.
- 3 STEP THREE: Divide the STEP TWO result by three (3).
- 4 STEP FOUR: Determine the amount that would otherwise be
- 5 distributed to all the taxing units in the county under
- 6 subsection (b) without regard to this subdivision.
- 7 STEP FIVE: Determine the result of:
- 8 (A) the STEP FOUR amount; multiplied by
- 9 (B) the STEP THREE result.
- 10 (2) The state welfare allocation shall be deducted from the
- 11 distributions otherwise payable under subsection (c) to the taxing
- 12 unit that is a county and shall be deposited in a special account
- 13 within the state general fund.
- 14 (c) **Except as provided in subsection (h)**, a taxing unit's guaranteed
- 15 distribution for a year is the greater of zero (0) or an amount equal to:
- 16 (1) the amount received by the taxing unit under IC 6-5-10
- 17 (repealed) and IC 6-5-11 (repealed) in 1989; minus
- 18 (2) the amount to be received by the taxing unit in the year of the
- 19 distribution, as determined by the department of local government
- 20 finance, from property taxes attributable to the personal property
- 21 of banks, exclusive of the property taxes attributable to personal
- 22 property leased by banks as the lessor where the possession of the
- 23 personal property is transferred to the lessee; minus
- 24 (3) in the case of a taxing unit that is a county, the amount that
- 25 would have been received by the taxing unit in the year of the
- 26 distribution, as determined by the department of local government
- 27 finance from property taxes that:
- 28 (A) were calculated for the county's county welfare fund and
- 29 county welfare administration fund for 2000 but were not
- 30 imposed because of the repeal of IC 12-19-3 and IC 12-19-4;
- 31 and
- 32 (B) would have been attributable to the personal property of
- 33 banks, exclusive of the property taxes attributable to personal
- 34 property leased by banks as the lessor where the possession of
- 35 the personal property is transferred to the lessee.
- 36 (d) The amount of the supplemental distribution for a county for a
- 37 year shall be determined using the following formula:
- 38 STEP ONE: Determine the greater of zero (0) or the difference
- 39 between:
- 40 (A) one-half (1/2) of the taxes that the department estimates
- 41 will be paid under this article during the year; minus
- 42 (B) the sum of all the guaranteed distributions, before the
- 43 subtraction of all state welfare allocations under subsection (a),
- 44 for all taxing units in all counties plus the bank personal
- 45 property taxes to be received by all taxing units in all counties,
- 46 as determined under subsection (c)(2) for the year.
- 47 STEP TWO: Determine the quotient of:

- 1 (A) the amount received under IC 6-5-10 (repealed) and
- 2 IC 6-5-11 (repealed) in 1989 by all taxing units in the county;
- 3 divided by
- 4 (B) the sum of the amounts received under IC 6-5-10
- 5 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units
- 6 in all counties.
- 7 STEP THREE: Determine the product of:
- 8 (A) the amount determined in STEP ONE; multiplied by
- 9 (B) the amount determined in STEP TWO.
- 10 STEP FOUR: Determine the greater of zero (0) or the difference
- 11 between:
- 12 (A) the amount of supplemental distribution determined in
- 13 STEP THREE for the county; minus
- 14 (B) the amount of refunds granted under IC 6-5-10-7
- 15 (repealed) that have yet to be reimbursed to the state by the
- 16 county treasurer under IC 6-5-10-13 (repealed).
- 17 For the supplemental distribution made on or before August 1 of each
- 18 year, the department shall adjust the amount of each county's
- 19 supplemental distribution to reflect the actual taxes paid under this
- 20 article for the preceding year.
- 21 (e) Except as provided in ~~subsection~~ **subsections (g) and (h)**, the
- 22 amount of the supplemental distribution for each taxing unit shall be
- 23 determined using the following formula:
- 24 STEP ONE: Determine the quotient of:
- 25 (A) the amount received by the taxing unit under IC 6-5-10
- 26 (repealed) and IC 6-5-11 (repealed) in 1989; divided by
- 27 (B) the sum of the amounts used in STEP ONE (A) for all
- 28 taxing units located in the county.
- 29 STEP TWO: Determine the product of:
- 30 (A) the amount determined in STEP ONE; multiplied by
- 31 (B) the supplemental distribution for the county, as determined
- 32 in subsection (d), STEP FOUR.
- 33 (f) The county auditor shall distribute the guaranteed and
- 34 supplemental distributions received under subsection (a) to the taxing
- 35 units in the county at the same time that the county auditor makes the
- 36 semiannual distribution of real property taxes to the taxing units.
- 37 (g) The amount of a supplemental distribution paid to a taxing unit
- 38 that is a county shall be reduced by an amount equal to:
- 39 (1) the amount the county would receive under subsection (e)
- 40 without regard to this subsection; minus
- 41 (2) an amount equal to:
- 42 (A) the amount under subdivision (1); multiplied by
- 43 (B) the result of the following:
- 44 (i) Determine the amounts appropriated by the county in
- 45 1997, 1998, and 1999, from the county's county welfare fund
- 46 and county welfare administration fund, divided by the total
- 47 amounts appropriated by all the taxing units in the county in

1 the year.

2 (ii) Divide the amount determined in item (i) by three (3).

3 **(h) The amount of any distribution under this section paid to a**  
 4 **taxing unit that is a county shall be reduced by an amount, as**  
 5 **determined by the department of local government finance for each**  
 6 **county, equal to the result determined under STEP SIX of the**  
 7 **following formula:**

8 **STEP ONE: For 2004, 2005, and 2006, determine the result**  
 9 **of:**

10 **(A) the amounts appropriated by the county in the year for**  
 11 **the personnel and other operating expenses of the circuit,**  
 12 **superior, probate, and county courts in the county that**  
 13 **after 2006 will be paid by the state under IC 33-23-14-6;**  
 14 **divided by**

15 **(B) the amounts appropriated by all the taxing units in the**  
 16 **county for the year.**

17 **STEP TWO: Determine the sum of the results determined**  
 18 **under STEP ONE.**

19 **STEP THREE: Divide the STEP TWO result by three (3).**

20 **STEP FOUR: Determine the amount of the financial**  
 21 **institutions tax that would otherwise be distributed to taxing**  
 22 **units in the county under this section.**

23 **STEP FIVE: Determine the result of:**

24 **(A) the STEP FOUR amount; multiplied by**

25 **(B) the STEP THREE result.**

26 **STEP SIX: Determine the greater of:**

27 **(A) zero (0); or**

28 **(B) the STEP FIVE amount.**

29 **The amount deducted under this subsection shall be deposited in**  
 30 **the state general fund.**

31 **SECTION 33. IC 6-6-5-10 IS AMENDED TO READ AS**  
 32 **FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) The**  
 33 **bureau shall establish procedures necessary for the collection of the tax**  
 34 **imposed by this chapter and for the proper accounting for the same. The**  
 35 **necessary forms and records shall be subject to approval by the state**  
 36 **board of accounts.**

37 **(b) The county treasurer, upon receiving the excise tax collections,**  
 38 **shall receipt such collections into a separate account for settlement**  
 39 **thereof at the same time as property taxes are accounted for and settled**  
 40 **in June and December of each year, with the right and duty of the**  
 41 **treasurer and auditor to make advances prior to the time of final**  
 42 **settlement of such property taxes in the same manner as provided in**  
 43 **IC 5-13-6-3.**

44 **(c) Except as provided in subsection (f), the county auditor shall**  
 45 **determine the total amount of excise taxes collected for each taxing unit**  
 46 **in the county and the amount so collected (and the distributions**  
 47 **received under section 9.5 of this chapter) shall be apportioned and**



distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

(i) the STEP FOUR amount; multiplied by

(ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

**(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2004, 2005, and 2006, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit,**

superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the motor vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 34. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) **Except as provided in subsection (f)**, on or before May 1, the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(e) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to

be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

**(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2004, 2005, and 2006, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the commercial vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 35. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. **Except as provided in subsection (f),** the department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the

1 report on the form prescribed by the state board of accounts. The  
 2 aircraft excise tax report must include aircraft identification, owner  
 3 information, and excise tax payment, and must indicate the county  
 4 where the aircraft is normally kept when not in operation. The  
 5 department shall, in the manner prescribed by the state board of  
 6 accounts, maintain records concerning the aircraft excise taxes received  
 7 and distributed by it.

8 (c) Except as provided in section 21.5 of this chapter, each county  
 9 treasurer shall deposit money received by him under this chapter in a  
 10 separate fund to be known as the "aircraft excise tax fund". The money  
 11 in the aircraft excise tax fund shall be distributed to the taxing units of  
 12 the county in the manner prescribed in subsection (d).

13 (d) In order to distribute the money in the county aircraft excise tax  
 14 fund to the taxing units of the county, the county auditor shall first  
 15 allocate the money in the fund among the taxing districts of the county.  
 16 In making these allocations, the county auditor shall allocate to a taxing  
 17 district the excise taxes collected with respect to aircraft usually located  
 18 in the taxing district when not in operation. The money allocated to a  
 19 taxing district shall be apportioned and distributed among the taxing  
 20 units of that taxing district in the same manner and at the same time that  
 21 the property taxes are apportioned and distributed.

22 (e) Within thirty (30) days following the receipt of excise taxes from  
 23 the department, the county treasurer shall file a report with the county  
 24 auditor concerning the aircraft excise taxes collected by the county  
 25 treasurer. The county treasurer shall file the report on the form  
 26 prescribed by the state board of accounts. The county treasurer shall, in  
 27 the manner and at the times prescribed in IC 6-1.1-27, make a  
 28 settlement with the county auditor for the aircraft excise taxes collected  
 29 by the county treasurer. The county treasurer shall, in the manner  
 30 prescribed by the state board of accounts, maintain records concerning  
 31 the aircraft excise taxes received and distributed by him.

32 **(f) The amount of any distribution under this section paid to a**  
 33 **taxing unit that is a county shall be reduced by an amount, as**  
 34 **determined by the department of local government finance for each**  
 35 **county, equal to the result determined under STEP SIX of the**  
 36 **following formula:**

37 **STEP ONE: For 2004, 2005, and 2006, determine the result**  
 38 **of:**

39 **(A) the amounts appropriated by the county in the year for**  
 40 **the personnel and other operating expenses of the circuit,**  
 41 **superior, probate, and county courts in the county that**  
 42 **after 2006 will be paid by the state under IC 33-23-14-6;**  
 43 **divided by**

44 **(B) the amounts appropriated by all the taxing units in the**  
 45 **county for the year.**

46 **STEP TWO: Determine the sum of the results determined**  
 47 **under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the aircraft excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 36. IC 6-6-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) All revenues collected from the auto rental excise tax shall be deposited in a special account of the state general fund called the auto rental excise tax account.

(b) On or before May 20 and November 20 of each year, all amounts held in the auto rental excise tax account shall be distributed to the county treasurers of Indiana.

(c) **Except as provided in subsection (h)**, the amount to be distributed to a county treasurer equals that part of the total auto rental excise taxes being distributed that were initially imposed and collected from within that treasurer's county. The department shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the department shall certify to the county auditor each taxing district within the county where auto rental excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

(d) The county treasurer shall deposit auto rental excise tax collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year.

(e) The county auditor shall apportion and the county treasurer shall distribute the auto rental excise taxes among the taxing units of the county in the same manner that property taxes are apportioned and distributed with respect to property located in the taxing district where the auto rental excise tax was initially imposed and collected. The auto rental excise taxes distributed to a taxing unit shall be allocated among the taxing unit's funds in the same proportions that the taxing unit's property tax collections are allocated among those funds.

(f) Taxing units of a county may request and receive advances of auto rental excise tax revenues in the manner provided under IC 5-13-6-3.

(g) All distributions from the auto rental excise tax account shall be made by warrants issued by the auditor of state to the treasurer of state

ordering those payments to the appropriate county treasurer.

**(h) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2004, 2005, and 2006, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the auto rental excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

**SECTION 37. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.**

**(b) Except as provided in subsection (c), the excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. The money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.**

**(c) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2004, 2005, and 2006, determine the result of:**

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the boat excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

**STEP SIX: Determine the greater of:**

(A) zero (0); or

(B) the STEP FIVE amount.

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 38. IC 6-8.1-1-1, AS AMENDED BY P.L.214-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); **the supplemental local property tax replacement income tax (IC 6-10-5);** the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties

assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Page 149, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 39. IC 6-10 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

**ARTICLE 10. SUPPLEMENTAL LOCAL PROPERTY TAX REPLACEMENT INCOME TAX**

**Chapter 1. Purpose**

**Sec. 1. The purpose of this article is to:**

- (1) provide property tax relief to property taxpayers from a dedicated source of supplemental income tax revenue;
- (2) fairly allocate property tax relief back to the property taxpayers in a county in proportion to the supplemental income tax paid by supplemental income taxpayers in the county; and
- (3) avoid imposing supplemental income tax rates on supplemental income taxpayers in counties with larger than average concentrations of taxable property or smaller than average household incomes that exceed the average supplemental income tax rate imposed in Indiana to provide property tax relief.

**Sec. 2. This article shall be liberally constructed to carry out the purposes of this article.**

**Chapter 2. Definitions**

**Sec. 1. The definitions in IC 6-1.1-1 and IC 36-1-2 apply throughout this article.**

**Sec. 2. The definitions in this chapter apply throughout this article.**

**Sec. 3. "2005 certified homestead distribution" refers to the state distribution to a county in 2005 to replace revenue lost as the result of the granting of homestead credits in the county under IC 6-1.1-20.9-2, as certified under IC 6-10-7-1(1).**

**Sec. 4. "2005 certified property tax relief distribution" refers to the sum of a county's 2005 certified homestead distribution and 2005 certified property tax replacement distribution, as certified under IC 6-10-7-1(3).**

**Sec. 5. "2005 certified property tax replacement distribution" refers to the state distribution to a county in 2005 to replace revenue lost as the result of the granting of property tax replacement credits in the county under IC 6-1.1-21-5, as certified under IC 6-10-7-1(2).**



1       **Sec. 6. "Additional supplemental income revenue"** refers to the  
 2       amount by which the certified actual supplemental income tax  
 3       revenue of all counties exceeds the 2005 certified property tax relief  
 4       distribution amount for all counties, as determined under  
 5       IC 6-10-7-9.

6       **Sec. 7. "Adjusted gross income"**, for the purposes of  
 7       determining the adjusted gross income of:

8           (1) a resident income taxpayer, means adjusted gross income  
 9           (as defined in IC 6-3-1-3.5(a) but determined by adding back  
 10          the deduction permitted under IC 6-3-1-3.5(a)(6)), regardless  
 11          of where the adjusted gross income is earned; and

12          (2) a nonresident income taxpayer, includes only the  
 13          individual's adjusted gross income (as defined in  
 14          IC 6-3-1-3.5(a) but determined by adding back the deduction  
 15          permitted under IC 6-3-1-3.5(a)(6)) derived from the  
 16          nonresident income taxpayer's principal place of business or  
 17          employment.

18       **Sec. 8. "Auditor's abstract"** means the annual report prepared  
 19       by each county auditor which, under IC 6-1.1-22-5, is to be filed on  
 20       or before March 1 of each year with the auditor of state.

21       **Sec. 9. "Business personal property"** means tangible personal  
 22       property that is being:

23           (1) held for sale in the ordinary course of a trade or business;  
 24           or

25           (2) held, used, or consumed in connection with the production  
 26           of income.

27       **Sec. 10. "Certified homestead distribution"** refers to the amount  
 28       distributed under IC 6-10-7-3 to a county in a year to replace  
 29       revenue lost as a result of granting homestead credits in the county  
 30       under IC 6-10-4.

31       **Sec. 11. "Certified actual supplemental income tax revenue"**  
 32       refers to the amount of supplemental income tax revenue raised in  
 33       a county for a particular year as certified under IC 6-10-7-5.

34       **Sec. 12. "Certified property tax replacement distribution"** refers  
 35       to the amount distributed under IC 6-10-7-2 to a county in a year  
 36       to replace revenue lost as a result of granting property tax  
 37       replacement credits in the county under IC 6-10-3.

38       **Sec. 13. "Dwelling"** means any of the following:

39           (1) Residential real property improvements that an individual  
 40           uses as his residence, including a house or garage.

41           (2) A mobile home that is not assessed as real property that an  
 42           individual uses as the individual's residence.

43           (3) A manufactured home that is not assessed as real property  
 44           that an individual uses as the individual's residence.

45       **Sec. 14. "Eligible property tax replacement amount"** is equal to  
 46       the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

Sec. 15. "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

Sec. 16. "Homestead" means an individual's principal place of residence that:

(1) is located in Indiana;

(2) the individual either:

(A) owns;

(B) is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or

(C) has a beneficial interest in, as described in IC 6-10-3-4; and

(3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 17. "Homestead credit" refers to a credit against property tax liability granted under IC 6-10-4.

Sec. 18. "Income tax determination date" means January 1 of the calendar year in which the individual's taxable year commences.

Sec. 19. "Mobile home" has the meaning set forth in IC 6-1.1-1-8.7.

Sec. 20. "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

Sec. 21. "Nonresident income taxpayer" means an individual who:

(1) maintains a principal place of business or employment in a county in Indiana on the income tax determination date for the individual's taxable year; and

(2) is not a resident income taxpayer of any county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 22. "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract that change

assessments or add assessments of omitted property affecting taxes for the assessment year.

Sec. 23. "Property tax" means property taxes payable in respect to property assessed under IC 6-1.1. The term does not include special assessments, penalties, or interest. The term include any special charges that a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

Sec. 24. "Property tax liability" refers to the amount of a property taxpayer's liability for property taxes computed under IC 6-10-3-4.

Sec. 25. "Property taxpayer" means a person who is liable for property taxes.

Sec. 26. "Property tax replacement credit" refers to a credit against a property taxpayer's property tax liability granted under IC 6-10-4.

Sec. 27. "Resident income taxpayer" means an individual who resides, as determined under IC 6-10-6-3, in a county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 28. "Supplemental homestead distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of homestead credits granted in a county, as determined under IC 6-10-7-11.

Sec. 29. "Supplemental income tax" refers to a supplemental local property tax replacement income tax imposed under this article.

Sec. 30. "Supplemental income taxpayer" means the following:

- (1) A resident income taxpayer.
- (2) A nonresident income taxpayer.

Sec. 31. "Supplemental property tax replacement distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of property tax replacement credits granted in a county, as determined under IC 6-10-7-10.

Sec. 32. "Tax duplicate" means the roll of property taxes that each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

Sec. 33. "Taxing unit" has the meaning set forth in IC 6-1.1-1-21.

Sec. 34. "Taxpayer's property tax replacement credit amount" refers to the amount of a property taxpayer's property tax replacement credit determined under IC 6-10-3-6.

Sec. 35. "Total county tax levy" means the sum of:

- (1) the remainder of:
  - (A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated

assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments that change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (repealed), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds

- 1           the 1983 stated assessment year; minus
- 2           **(G) the amount of property taxes imposed in the county for**
- 3           **the stated assessment year under:**
- 4           **(i) IC 21-2-15 for a capital projects fund; plus**
- 5           **(ii) IC 6-1.1-19-10 for a racial balance fund; plus**
- 6           **(iii) IC 36-12-12 for a library capital projects fund; plus**
- 7           **(iv) IC 36-10-13-7 for an art association fund; plus**
- 8           **(v) IC 21-2-17 for a special education preschool fund;**
- 9           **plus**
- 10           **(vi) IC 21-2-11.6 for a referendum tax levy fund; plus**
- 11           **(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase**
- 12           **in a school corporation's maximum permissible general**
- 13           **fund levy for certain transfer tuition costs; plus**
- 14           **(viii) an appeal filed under IC 6-1.1-19-5.4 for an**
- 15           **increase in a school corporation's maximum permissible**
- 16           **transportation fund levy for transportation operating**
- 17           **costs; minus**
- 18           **(H) the amount of property taxes imposed by a school**
- 19           **corporation that is attributable to the passage, after 1983,**
- 20           **of a referendum for an excessive tax levy under**
- 21           **IC 6-1.1-19, including any increases in these property taxes**
- 22           **that are attributable to the adjustment set forth in**
- 23           **IC 6-1.1-19-1.5 or any other law; minus**
- 24           **(I) for each township in the county, the lesser of:**
- 25           **(i) the sum of the amount determined in**
- 26           **IC 6-1.1-18.5-19(a) STEP THREE (as effective January**
- 27           **1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as**
- 28           **effective January 1, 1990), whichever is applicable, plus**
- 29           **the part, if any, of the township's ad valorem property**
- 30           **tax levy for calendar year 1989 that represents increases**
- 31           **in that levy that resulted from an appeal described in**
- 32           **IC 6-1.1-18.5-13(4) (as effective before January 1, 1989),**
- 33           **filed after December 31, 1982; or**
- 34           **(ii) the amount of property taxes imposed in the township**
- 35           **for the stated assessment year under the authority of**
- 36           **IC 36-8-13-4; minus**
- 37           **(J) for each participating unit in a fire protection territory**
- 38           **established under IC 36-8-19-1, the amount of property**
- 39           **taxes levied by each participating unit under IC 36-8-19-8**
- 40           **and IC 36-8-19-8.5 less the maximum levy limit for each of**
- 41           **the participating units that would have otherwise been**
- 42           **available for fire protection services under IC 6-1.1-18.5-3**
- 43           **and IC 6-1.1-18.5-19 for that same year; plus**
- 44           **(2) all taxes to be paid in the county in respect to mobile home**
- 45           **assessments currently assessed for the year in which the taxes**
- 46           **stated in the abstract are to be paid; plus**

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

### **Chapter 3. Property Tax Replacement Credit**

**Sec. 1. (a)** Each year the property taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for property taxes that:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

**Sec. 2.** The credit under this chapter shall be applied to each installment of property taxes.

**Sec. 3.** The dollar amount of the credit under this chapter for each property taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

**Sec. 4. (a)** Subject to subsection (b), the property tax liability of a taxpayer for the purpose of computing the credit under this chapter for a particular year shall be based on:

(1) the taxpayer's property tax as evidenced by the tax duplicate for the taxes payable in that year; plus

(2) the amount by which the property tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year; as adjusted for any change in assessed valuation that may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a).

(b) The property tax liability of a taxpayer does not include the

amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under IC 6-10-2-35(1)(B), IC 6-10-2-35(1)(C), IC 6-10-2-35(1)(D), IC 6-10-2-35(1)(E), IC 6-10-2-35(1)(F), IC 6-10-2-35(1)(G), IC 6-10-2-35(1)(H), IC 6-10-2-35(1)(I), or IC 6-10-2-35(1)(J) in computing the total county tax levy.

**Sec. 5.** The credit under this chapter for property taxes payable in a particular year with respect to mobile homes that are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments described in section 4 of this chapter.

**Sec. 6.** A property taxpayer's property tax replacement credit amount is the amount determined under STEP SEVEN of the following formula:

**STEP ONE:** Determine the county's certified property tax replacement distribution for the year.

**STEP TWO:** Determine the county's "eligible property tax replacement amount" for the year.

**STEP THREE:** Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount;

rounded to the nearest ten thousandth (0.0001).

**STEP FOUR:** Determine the result of:

(A) sixty percent (60%) of a taxpayer's tax liability in a calendar year for property taxes imposed by a school corporation for its general fund for a stated assessment year; multiplied by

(B) the STEP THREE result.

**STEP FIVE:** Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; multiplied by

(B) the STEP THREE result.

**STEP SIX:** Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property; multiplied by

(B) the STEP THREE result.

**STEP SEVEN:** Determine the sum of:

(A) the STEP FOUR result;

(B) the STEP FIVE result; and

(C) the STEP SIX result.

#### **Chapter 4. Homestead Credit**

**Sec. 1.** Except as otherwise provided in section 7 of this chapter, an individual who on March 1 of a particular year either:

(1) owns the individual's homestead;

(2) is buying the individual's homestead under a contract that:

(A) provides the individual is to pay the property taxes on the homestead; and

(B) is recorded in the office of the county recorder where the homestead is located; or

(3) has a beneficial interest in the individual's homestead, as determined under section 4 of this chapter;

is entitled each year to a credit against the individual's property tax liability that the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

**Sec. 2. (a)** The amount of the credit to which an individual is entitled to under this chapter equals the product of:

(1) the uniform homestead credit percentage determined under section 3 of this chapter; multiplied by

(2) the amount of the individual's property tax liability which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-10-3.

(b) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

**Sec. 3. (a)** The department of local government finance shall annually calculate for each county the county's uniform homestead credit percentage. A county's uniform homestead credit percentage is the percentage determined in STEP FOUR of the following formula:

**STEP ONE:** Determine the amount of the certified homestead distribution for the county in the current calendar year.

**STEP TWO:** Determine the total amount of the property tax liability first due and payable in the calendar year which is:

(1) attributable to each homestead located in the county during the particular calendar year; and

(2) determined after the application of the property tax



replacement credit under IC 6-10-3.

**STEP THREE: Determine the quotient of:**

- (1) the STEP ONE amount; divided by
- (2) the STEP TWO amount.

**STEP FOUR: Express the STEP THREE quotient as a percentage rounded to the nearest one hundredth percent (0.01%).**

(b) The uniform county homestead percentage determined under this section must be used to calculate the amount of the homestead credit allowed to each individual that is entitled to a homestead credit under section 1 of this chapter.

Sec. 4. (a) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(b) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(c) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 5. (a) Subject to this section, an individual who desires to claim the credit provided by section 1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or

1 by mail. If mailed, the mailing must be postmarked on or before  
 2 the last day for filing. The statement applies for that first year and  
 3 any succeeding year for which the credit is allowed.

4 (b) The certified statement referred to in subsection (a) shall  
 5 contain the name of any other county and township in which the  
 6 individual owns or is buying real property.

7 (c) If an individual who is receiving the credit provided by this  
 8 chapter changes the use of the individual's real property, so that  
 9 part or all of that real property no longer qualifies for the  
 10 homestead credit provided by this chapter, the individual must file  
 11 a certified statement with the auditor of the county, notifying the  
 12 auditor of the change of use within sixty (60) days after the date of  
 13 that change. An individual who changes the use of the individual's  
 14 real property and fails to file the statement required by this  
 15 subsection is liable for the amount of the credit the individual was  
 16 allowed under this chapter for that real property.

17 (d) An individual who receives the credit provided by section 1  
 18 of this chapter for property that is jointly held with another owner  
 19 in a particular year and remains eligible for the credit in the  
 20 following year is not required to file a statement to reapply for the  
 21 credit following the removal of the joint owner if:

22 (1) the individual is the sole owner of the property following  
 23 the death of the individual's spouse;

24 (2) the individual is the sole owner of the property following  
 25 the death of a joint owner who was not the individual's  
 26 spouse; or

27 (3) the individual is awarded sole ownership of property in a  
 28 divorce decree.

29 (e) An individual or other taxpayer who filed for a homestead  
 30 credit under IC 6-1.1-20.9 (repealed) and would have been entitled  
 31 to a homestead credit against tax liability first due and payable in  
 32 2007, if IC 6-1.1-20.9 had not been repealed, shall be treated as if  
 33 the individual or other taxpayer had filed for a homestead credit  
 34 for the homestead under this section.

35 Sec. 6. (a) The auditor of a county (referred to in this section as  
 36 the "first county") with whom a credit statement is filed under  
 37 section 5 of this chapter shall immediately prepare and transmit a  
 38 copy of the statement to the auditor of any other county (referred  
 39 to in this section as the "second county") if the individual who  
 40 claims the credit owns or is buying real property located in the  
 41 second county.

42 (b) The county auditor of the second county shall note on the  
 43 copy of the statement whether or not the individual has claimed a  
 44 credit for the current year under section 1 of this chapter for a  
 45 homestead located in the second county. The auditor shall then  
 46 return the copy to the auditor of the first county.

1       **Sec. 7. (a) Each year, the county auditor shall place the original**  
 2 **copies of all credit statements filed under section 5 of this chapter**  
 3 **in alphabetical order by townships. The county auditor shall,**  
 4 **without regard to townships, place the duplicate copies for the**  
 5 **entire county in alphabetical order.**

6       **(b) The auditor shall ascertain from the alphabetical files**  
 7 **whether or not more than one (1) statement has been filed by the**  
 8 **same individual.**

9       **(c) The county auditor may not grant an individual a credit**  
 10 **under section 1 of this chapter if:**

11       **(1) the individual, for the same year, claims the credit on two**

12 **(2) or more different statements; and**

13 **(2) the statements claim the credit for different property.**

14       **Sec. 8. Before April 1 of each year prior to the year in which the**  
 15 **credit is allowed, the auditor of each county shall certify to the**  
 16 **department of local government finance the amount of the assessed**  
 17 **valuation that qualifies for the homestead credit. Before February**  
 18 **1 of each year, the auditor of each county shall certify to the**  
 19 **department of local government finance the amount of homestead**  
 20 **credits allowed in that county for that calendar year.**

#### 21       **Chapter 5. Imposition of Tax**

22       **Sec. 1. Except as provided by this chapter, a supplemental local**  
 23 **property tax replacement income tax is imposed on the adjusted**  
 24 **gross income of supplemental income taxpayers in a county.**

25       **Sec. 2. The supplemental local property tax replacement income**  
 26 **tax is imposed at the rate of one and three hundredths percent**  
 27 **(1.03%).**

28       **Sec. 3. (a) For purposes of this chapter, an individual shall be**  
 29 **treated as a resident income taxpayer of the county in which the**  
 30 **individual:**

31       **(1) maintains a home, if the individual maintains only one (1)**  
 32 **home in Indiana;**

33       **(2) if subdivision (1) does not apply, is registered to vote;**

34       **(3) if subdivision (1) or (2) does not apply, registers the**  
 35 **individual's personal automobile; or**

36       **(4) if subdivision (1), (2), or (3) does not apply, spends the**  
 37 **majority of the individual's time spent in Indiana during the**  
 38 **taxable year in question.**

39       **(b) The residence or principal place of business or employment**  
 40 **of an individual is to be determined on the income tax**  
 41 **determination date for the individual's taxable year. If an**  
 42 **individual changes the location of the individual's residence or**  
 43 **principal place of employment or business to another county in**  
 44 **Indiana during the individual's taxable year, the individual's**  
 45 **liability for supplemental income tax is not affected.**

46       **Sec. 4. (a) The department of state revenue may enter into**

reciprocity agreements with the taxing authority of a city, town, municipality, county, or other similar local governmental entity of any other state. A reciprocity agreement must provide that the income of nonresident income taxpayers who reside in the other local governmental entity is exempt from the supplemental income tax in the Indiana county entering into the agreement to the extent that the income of Indiana resident income taxpayers is exempt from income taxation by the other local governmental entity.

(b) A reciprocity agreement entered into under this section may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) A certified copy of the reciprocity agreement must be filed with the following:

(1) The department of local government finance.

(2) The budget agency.

(d) The form and effective date of any reciprocity agreement described in this section must be approved by the budget agency.

Sec. 5. (a) If for a taxable year a supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) allowed a credit for the elderly or the disabled under Section 22 of the Internal Revenue Code, the supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) entitled to a credit against the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) supplemental income tax liability under this chapter for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) credit for the elderly or the totally disabled for that same taxable year; multiplied by

(B) a fraction for which the numerator of the fraction is the supplemental income tax rate and the denominator is fifteen hundredths (0.15); or

(2) the amount of supplemental income tax imposed on the supplemental income taxpayer (or the supplemental income taxpayer and the supplemental income taxpayer's spouse).

(b) If a supplemental income taxpayer and the local taxpayer's spouse file a joint return and are subject to different supplemental income tax rates under this chapter for the same taxable year, they shall compute the credit under this section using the formula provided by subsection (a), except that they shall use the average of the two (2) supplemental income tax rates as the numerator

referred to in subsection (a)(1)(B).

**Sec. 6.** Revenue from a supplemental local property tax replacement income tax under this chapter shall be collected, deposited, and used as provided in this article.

#### **Chapter 6. Collection**

**Sec. 1.** Except as otherwise provided in this article, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of a supplemental income tax imposed by IC 6-10-6.

**Sec. 2.** The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the supplemental income tax imposed by IC 6-10-5.

**Sec. 3.** Each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

- (1) annually along with the employer's annual withholding report; or
- (2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

**Sec. 4.** Each supplemental income taxpayer that is required to file estimated tax returns under IC 6-3-4-4.1 shall report to the department the amount of estimated supplemental income tax attributable to a county. The report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

- (1) annually along with the income taxpayer's annual return; or
- (2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

**Sec. 5.** The department of state revenue shall separately account for the supplemental income taxes collected from supplemental income taxpayers in each county and refunds made to supplemental income taxpayers in each county.

#### **Chapter 7. Distribution**

1       **Sec. 1. Before August 2, 2006, and before August 2 in any**  
 2 **subsequent year in a later adjustment in the amount distributed is**  
 3 **made as a result of the resolution of refunds and other tax appeals,**  
 4 **the department of local government finance, after reviewing the**  
 5 **recommendation of the budget agency, shall make the following**  
 6 **certifications to the auditor of state for each county:**

7       **(1) The total amount of the state distribution made under**  
 8 **IC 6-1.1-21 (repealed), as adjusted in any subsequent**  
 9 **settlement under IC 6-1.1-21-9 (repealed), to the county to**  
 10 **replace revenue lost as a result of the granting of a property**  
 11 **tax replacement credit to taxpayers in the county under**  
 12 **IC 6-1.1-21-5 (repealed) for property taxes first due and**  
 13 **payable for the March 1, 2004, and January 15, 2005,**  
 14 **assessment dates.**

15       **(2) The total amount of the state distribution made under**  
 16 **IC 6-1.1-21 (repealed), as adjusted in any subsequent**  
 17 **settlement under IC 6-1.1-21-9 (repealed), to the county to**  
 18 **replace revenue lost as a result of the granting of a homestead**  
 19 **credit to taxpayers in the county under IC 6-1.1-20.9-2**  
 20 **(repealed) for property taxes first due and payable for the**  
 21 **March 1, 2004, and January 15, 2005, assessment dates.**

22       **(3) The sum of the county's 2005 certified property tax**  
 23 **replacement distribution and the county's 2005 certified**  
 24 **homestead distribution.**

25       **Sec. 2. Each year beginning after December 31, 2006, the**  
 26 **auditor of state shall make a certified property tax replacement**  
 27 **distribution to the county treasurer of each county equal to the sum**  
 28 **of the following:**

29       **(1) The county's 2005 certified property tax replacement**  
 30 **distribution.**

31       **(2) The county's supplemental property tax replacement**  
 32 **distribution for the year determined under section 10 of this**  
 33 **chapter.**

34       **Sec. 3. Each year beginning after December 31, 2006, the**  
 35 **auditor of state shall make a certified homestead distribution to the**  
 36 **county treasurer of each county equal to the sum of the following:**

37       **(1) The county's 2005 certified homestead distribution.**

38       **(2) The county's supplemental homestead distribution for the**  
 39 **year determined under section 11 of this chapter.**

40       **Sec. 4. The distribution required under section 2 of this chapter**  
 41 **and the distribution required under section 3 of this chapter shall**  
 42 **be made in twelve (12) equal installments.**

43       **Sec. 5. Before August 2, 2008, and August 2 in each year**  
 44 **thereafter, the department of state revenue, after reviewing the**  
 45 **recommendation of the budget agency, shall certify the amount**  
 46 **determined under section 6 of this chapter for a particular county**

(as adjusted under section 7 of this chapter) to the following:

(1) The auditor of state.

(2) The department of local government.

The amount certified for a county under this section shall be treated as the county's certified actual supplemental income tax revenue for the ensuing year.

Sec. 6. Subject to section 7 of this chapter, the amount to be certified under section 5 of this chapter for an ensuing year equals the amount of supplemental income tax revenue that the department of state revenue, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department of state revenue in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of supplemental income tax made in the state fiscal year.

Sec. 7. (a) The amount determined under section 6 of this chapter shall be adjusted as provided under this section.

(b) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to an amount less than the amount determined under section 6 of this chapter if the department of state revenue, after reviewing the recommendation of the budget agency, determines that the reduced certified amount is necessary to offset the effects of an overpayment to the county in a year before the year to which the certified amount applies. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(c) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to correct for any clerical or mathematical errors made in any previous certification under this chapter. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

Sec. 8. Before December 2, 2008, and December 2 in each subsequent year, the department of local government finance, after reviewing the recommendation of the budget agency, shall certify the following to the auditor of state and the fiscal officer of each

1 county:

2 (1) The total amount of supplemental income taxes imposed on  
3 supplemental income taxpayers in each county that are  
4 available to increase the certified property tax replacement  
5 distributions and certified homestead distributions to the  
6 county for an ensuing year.

7 (2) Each county's supplemental property tax replacement  
8 distribution for the ensuing year.

9 (3) Each county's supplemental homestead distribution for the  
10 ensuing year.

11 **Sec. 9. The total amount of supplemental income taxes available**  
12 **to increase the certified property tax replacement distributions and**  
13 **certified homestead distributions for an ensuing year in a county is**  
14 **the greater of zero (0) or the result determined under STEP SIX of**  
15 **the following formula:**

16 **STEP ONE: Determine for all counties the sum of the certified**  
17 **actual supplemental income tax revenue determined for each**  
18 **county for the ensuing year.**

19 **STEP TWO: Determine for all counties the sum of the 2005**  
20 **certified total property tax relief distribution to each county.**

21 **STEP THREE: Determine the greater of zero (0) or the result**  
22 **of:**

23 (A) the STEP ONE result; minus

24 (B) the STEP TWO result.

25 **STEP FOUR: Determine the greater of zero (0) or the result**  
26 **of:**

27 (A) the county's certified actual supplemental income tax  
28 revenue for the ensuing year; minus

29 (B) the county's 2005 total property tax relief distribution.

30 **STEP FIVE: Determine the sum of the STEP FOUR amounts**  
31 **for all counties.**

32 **STEP SIX: Determine the result of:**

33 (A) the county's STEP FOUR amount; divided by

34 (B) the STEP FIVE result;

35 rounded to the nearest dollar (\$1).

36 **Sec. 10. A county's supplemental property tax replacement**  
37 **distribution for the ensuing year is equal to the total amount of**  
38 **supplemental income taxes available to increase the certified**  
39 **property tax replacement distributions and certified homestead**  
40 **distributions for an ensuing year in the county multiplied by a**  
41 **fraction. The numerator of the fraction is the county's 2005**  
42 **certified property tax replacement distribution. The denominator**  
43 **is the county's 2005 certified total property tax relief distribution.**

44 **Sec. 11. A county's supplemental homestead distribution for the**  
45 **ensuing year is equal to the total amount of supplemental income**  
46 **taxes available to increase the certified property tax replacement**



distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2005 certified homestead distribution. The denominator is the county's 2005 certified total property tax relief distribution.

**Sec. 12. A county treasurer receiving a certified property tax replacement distribution or certified homestead distribution under this chapter shall apportion the amount received among the taxing units that imposed any part of the county's total county tax levy. The amount received by the county as a:**

(1) certified property tax replacement distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of property tax replacement credits in the county under IC 6-10-3; and

(2) certified homestead distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of homestead credits in the county under IC 6-10-4.

**Sec. 13. Distributions under section 12 of this chapter shall be made in twelve (12) equal monthly installments with settlements of overpayments and underpayments in June and December at the same time property taxes are settled under IC 6-1.1-27-1.**

**Sec. 14. For the purposes of any law, rule, or other writing that refers to property taxes, money distributed to a taxing unit under this article shall be treated as property taxes and may be used for any purpose for which the property taxes replaced by the money could have been used.**

**SECTION 40. IC 8-6-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:** Sec. 1. (a) Whenever the separation of grades at the intersection of a railroad or railroads (as defined in IC 8-3-1-2) and a public street or highway is constructed, the railroad or railroads shall pay five (5) percent (5%) of the cost of the grade separation as provided in this chapter.

(b) This chapter shall apply to an existing crossing, a new crossing, or the reconstruction of an existing grade separation.

(c) If more than one (1) railroad (as defined in IC 8-3-1-2) is involved in a separation, the railroads involved shall divide the amount to be paid by the railroads by agreement between the railroads. If the railroads fail to agree, the circuit court of the county in which the crossing is located shall have jurisdiction, upon the application of a party, to determine the division of the amount to be paid by the railroads. The decision of the court is final, unless one (1) or more parties deeming themselves aggrieved by the decision of the court shall appeal therefrom to the court of appeals of Indiana within thirty (30) days, or within additional time not exceeding ninety (90) days, as may be granted by the circuit court. The appeal shall be taken in

1 substantially the same manner as an appeal in a civil case from the  
2 circuit court.

3 (d) If a grade separation shall involve a state highway that is a part  
4 of the state highway system of Indiana, or a street or highway selected  
5 by the Indiana department of transportation as a route of a highway in  
6 the state highway system, the state, out of the funds of the Indiana  
7 department of transportation or funds appropriated for the use of the  
8 Indiana department of transportation, shall pay ninety-five percent  
9 (95%) of the cost of the grade separation.

10 (e) Before the Indiana department of transportation shall proceed  
11 with a grade separation within a city or town, the Indiana department  
12 of transportation shall first obtain the consent of the city, by a  
13 resolution adopted by the board or officials of the city having  
14 jurisdiction over improvement of the streets of the city, and any  
15 material modification of the plans upon which the consent was granted  
16 shall first be approved by the city by a similar resolution.

17 (f) If such grade separation is on a highway or street not a part of the  
18 highways under the jurisdiction of the Indiana department of  
19 transportation, or a part of a route selected by it, but is within any city  
20 or town of the state, the city or town shall pay one-half (1/2) of  
21 ninety-five percent (95%) of the total of such cost and the county in  
22 which the crossing is located shall be liable for and pay one-half (1/2)  
23 of the ninety-five percent (95%).

24 (g) If a grade separation that involves a state highway that is a part  
25 of the state highway system of Indiana, or a street or highway selected  
26 by the Indiana department of transportation as a route of a highway in  
27 the state highway system, necessitates the grade separation on other  
28 highways or streets, not a part of the highways under the jurisdiction of  
29 the Indiana department of transportation but within any city of the state  
30 of Indiana, then of the total cost of the grade separation on a highway  
31 or street not under the jurisdiction of the Indiana department of  
32 transportation but necessitated by the grade separation involving a  
33 highway or street which is a part of the state highway system, the city  
34 shall pay one-fourth (1/4) of ninety-five percent (95%) and the county  
35 in which the crossing is located shall be liable for and pay one-fourth  
36 (1/4) of the ninety-five percent (95%) of the total of the costs and the  
37 state out of the funds of the Indiana department of transportation or  
38 funds appropriated for the use of the Indiana department of  
39 transportation, shall be liable for and pay one-half (1/2) of the  
40 remaining portion.

41 (h) If a crossing is not within any city or town and does not involve  
42 a highway under the jurisdiction of the Indiana department of  
43 transportation, then the county in which the crossing is located shall  
44 pay the ninety-five percent (95%) of the total cost which is not paid by  
45 the railroad or railroads.

46 (i) The division of the cost of grade separation applies when the  
47 grade separation replaces and eliminates an existing grade crossing at

1 which active warning devices are in place or ordered to be installed by  
 2 a state regulatory agency, but when the grade separation does not  
 3 replace nor eliminate an existing grade crossing the state, county, or  
 4 municipality, as the case may be, shall bear and pay one hundred  
 5 percent (100%) of the cost of the grade separation.

6 (j) In estimating and computing the cost of the grade separation,  
 7 there shall be considered as a part of costs all expenses reasonably  
 8 necessary for preliminary engineering, rights-of-way and all work  
 9 required to comply with the plans and specifications for the work,  
 10 including all changes in the highway and the grade thereof and the  
 11 approaches to the grade separation, as well as all changes in the  
 12 roadbed, grade, rails, ties, bridges, buildings, and other structural  
 13 changes in a railroad as may be necessary to effect the grade separation  
 14 and to restore the railroad facilities aforesaid to substantially the same  
 15 condition as before the separation.

16 (k) The required railroad share of the cost shall be based on the costs  
 17 for preliminary engineering, right-of-way, and construction within the  
 18 limits described below:

19 (1) Where a grade crossing is eliminated by grade separation, the  
 20 structure and approaches for the number of lanes on the existing  
 21 highway and in accordance with the current design standards of  
 22 the governmental entity having jurisdiction over the highway  
 23 involved.

24 (2) Where another facility, such as a highway or waterway,  
 25 requiring a bridge structure is located within the limits of a grade  
 26 separation project, the estimated cost of a theoretical structure and  
 27 approaches as described under subdivision (1) to eliminate the  
 28 railroad-highway grade crossing without considering the presence  
 29 of the waterway or other highway.

30 (3) Where a grade crossing is eliminated by railroad or highway  
 31 relocation, the actual cost of the relocation project, or the  
 32 estimated cost of a structure and approaches as described under  
 33 subdivision (1), whichever is less.

34 (l) If the Indiana department of transportation or any city, town, or  
 35 county is unable to reach an agreement with a railroad company after  
 36 determining that construction or reconstruction of a grade separation,  
 37 which replaces or eliminates the need for a grade crossing, is necessary  
 38 to protect travelers on the roads and streets of the state, the appropriate  
 39 unit or combination of units of government shall give a written notice  
 40 of its intention to proceed with the construction or reconstruction of a  
 41 grade separation to the superintendent or regional engineer of the  
 42 railroad company. The notice of intention shall be made by the  
 43 adoption of a resolution stating the need for the grade separation. If,  
 44 after thirty (30) days, the railroad has not agreed to a division of  
 45 inspections, plans and specifications, the number and type of jobs to be  
 46 completed by each agency, a division of costs, and other necessary  
 47 conditions, the Indiana department of transportation, city, town, or

county may proceed with the grade separation exercising any and all of its powers to construct or reconstruct a bridge and, notwithstanding other provisions of this chapter, may pay for up to one hundred percent (100%) of the cost of the project. If the railroad is unable, for good cause, to pay the share of the cost required by this section, the city, town, or county may certify the amount owed by the railroad to the county auditor who shall prepare a special tax duplicate to be collected and settled for by the county treasurer in the same manner and at the same time as property taxes are collected except that such tax assessment shall not authorize a payment or credit from the ~~property tax replacement state general~~ fund. ~~created by IC 6-1.1-21.~~ However, before the Indiana department of transportation, city, town, or county undertakes to do the work themselves they shall notify an agent of the railroad as to the time and place of the work."

Page 151, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 41. IC 8-22-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter and except as provided in subsection (d), if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2** that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (d), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ through ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid

into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).

SECTION 42. IC 8-22-3.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3**.

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under ~~IC 6-1.1-21-5~~ **IC 6-10-3** for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit available under section 16 of this chapter shall be excluded from the total county tax levy under ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2**."

Page 154, line 19, after "welfare" insert "**settlement**".

Page 158, line 12, after "(B)" insert "**either:**

**(i)**".

Page 158, line 17, after "2006" insert "; **or**

**(ii) elimination of county levies related to the funding of courts and court personnel;**".

Page 158, line 17, before "adversely" begin a new line double block indented.

Page 167, between lines 6 and 7, begin a new paragraph and insert:  
 "SECTION 44. IC 12-20-25-45 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 45. (a)  
 Notwithstanding IC 6-3.5-6, after the termination of the controlled  
 status of all townships located in a county as provided in section 41 of  
 this chapter and if the county option income tax is imposed under this  
 chapter, the county fiscal body may adopt an ordinance to:

(1) increase the percentage credit allowed for homesteads in the  
 county under ~~IC 6-1.1-20.9-2~~; **IC 6-10-4**; or

(2) reduce the county option income tax rate for resident county  
 taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of  
 section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of  
 sections 43 and 46(2) of this chapter if an ordinance is adopted  
 under subdivision (1).

(b) A county fiscal body may not increase the percentage credit  
 allowed for homesteads in such a manner that more than eight percent  
 (8%) is added to the percentage established under ~~IC 6-1.1-20.9-2(d)~~.  
**IC 6-10-4.**

(c) The increase in the homestead credit percentage must be uniform  
 for all homesteads in a county.

(d) In an ordinance that increases the homestead credit percentage,  
 the county fiscal body may provide for a series of increases or  
 decreases to take place for each of a group of succeeding calendar  
 years.

(e) An ordinance may be adopted under this section after January 1  
 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect January 1  
 of the next calendar year.

(g) An ordinance adopted under this section for a county is not  
 applicable for a year if on January 1 of that year the county option  
 income tax is not in effect."

Page 159, delete lines 38 through 42.

Delete pages 160 through 163.

Page 164, delete lines 1 through 41.

Page 165, line 2, after "(a)" insert **"The following definitions apply  
 throughout this section:**

(1) **"Settlement fund" refers to the child welfare settlement  
 fund established by this section.**

(2) **"Terminated fund" refers to the following:**

(A) **Family and children's fund.**

(B) **County medical assistance to wards fund.**

(C) **Children's psychiatric residential treatment services  
 fund.**

(D) **Children with special health care needs county fund.**

(b) **Each terminated fund is terminated on December 31, 2006.**

(c) A child welfare settlement fund is established in each county for the purpose of settling the obligations of the county and the state with respect to the revenue and obligations of each terminated fund.

(d) The balance of each terminated fund and any obligations payable from a terminated fund on December 31, 2006, are transferred on January 1, 2007, to the settlement fund. Any money or claim received after December 31, 2006, that would have been deposited in or paid from a terminated fund if subsection (b) did not apply, shall be deposited in or paid from the settlement fund.

(e)".

Page 165, line 4, after "county's" insert "**settlement**".

Page 165, line 7, delete "(b)" and insert "**(f)**".

Page 165, line 7, after "the" insert "**settlement fund from the**".

Page 165, line 31, delete "(c)" and insert "**(g)**".

Page 165, line 34, delete "(a), (b), and (e)." and insert "**(e), (f), and (i).**".

Page 165, line 37, delete "(d)" and insert "**(h)**".

Page 165, line 39, delete "(b)" and insert "**(f)**".

Page 166, line 8, delete "(e)" and insert "**(i)**".

Page 166, line 8, after "the" insert "**settlement fund from the**".

Page 166, line 35, delete "(f)" and insert "**(j)**".

Page 166, line 38, delete "(e)" and insert "**(i)**".

Page 167, between lines 6 and 7, begin a new paragraph and insert:

**"(k) A county shall terminate the settlement fund when the purposes of the settlement fund have been fulfilled."**

Page 168, between lines 2 and 3, begin a new paragraph and insert:

**"SECTION 45. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15. (a) A district located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:**

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2**); and

(2) may not exceed seven and thirty-three hundredths cents (\$0.0733) on each one hundred dollars (\$100) of assessed

1 valuation of property in the district.

2 (c) The department of local government finance shall establish the  
3 tax rate if a higher tax rate is permitted.

4 (d) A property tax rate imposed under this section expires not later  
5 than December 31, 1997.

6 SECTION 46. IC 13-21-3-15.5 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15.5. (a) A  
8 district may appeal to the department of local government finance to  
9 have a property tax rate in excess of the rate permitted by section 12 of  
10 this chapter. The appeal may be granted if the district with respect to  
11 2001 property taxes payable in 2002:

12 (1) imposed the maximum property tax rate established under  
13 section 12 of this chapter; and

14 (2) collected property tax revenue in an amount less than the  
15 maximum permissible ad valorem property tax levy determined  
16 for the district under IC 6-1.1-18.5.

17 (b) The procedure applicable to maximum levy appeals under  
18 IC 6-1.1-18.5 applies to an appeal under this section.

19 (c) An additional levy granted under this section:

20 (1) is not part of the total county tax levy (as defined in  
21 ~~IC 6-1.1-21-2~~; **IC 6-10-2**); and

22 (2) may not exceed the rate calculated to result in a property tax  
23 levy equal to the maximum permissible ad valorem property tax  
24 levy determined for the district under IC 6-1.1-18.5.

25 (d) The department of local government finance shall establish the  
26 tax rate if a higher tax rate is permitted."

27 Page 185, between lines 8 and 9, begin a new paragraph and insert:

28 "SECTION 47. IC 31-12-1-9 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) In each of  
30 the judicial circuits in which this chapter applies, judges of the superior  
31 and circuit courts may appoint one (1) or more professionally qualified  
32 domestic relations:

33 (1) referees;

34 (2) counselors;

35 (3) assistants; and

36 (4) clerks;

37 as are considered necessary to serve at the pleasure of the appointing  
38 judge.

39 (b) The appointing judge shall fix the compensation and expense of  
40 the personnel appointed under this chapter, which shall be paid out of  
41 the ~~county~~ **state** general fund.

42 SECTION 48. IC 31-12-2-5 IS AMENDED TO READ AS  
43 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judges  
44 described in section 1(1) of this chapter and the judge described in  
45 section 1(2) of this chapter may appoint:

46 (1) one (1) or more professionally qualified domestic relations  
47 referees, counselors, and other necessary personnel, including a



1 full-time director; and

2 (2) necessary assistants and clerks;  
3 to serve during the pleasure of the appointing judge to staff the  
4 domestic relations counseling bureau.

5 (b) The appointing judge shall fix the compensation and expenses of  
6 the personnel appointed under this chapter, which shall be paid out of  
7 the ~~county~~ **state** general fund.

8 SECTION 49. IC 31-31-3-5 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The ~~county~~  
10 **state** shall pay the salary of a part-time juvenile court referee appointed  
11 under this chapter.

12 SECTION 50. IC 31-31-5-2 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The salary  
14 of a probation officer shall be fixed by the county fiscal body in  
15 accordance with the salary schedule adopted by the county fiscal body  
16 under IC 36-2-16.5. ~~The salary of a probation officer shall be paid by~~  
17 ~~the county.~~

18 (b) Subject to the approval of the ~~county fiscal body~~ **division of**  
19 **state court administration**, the judge shall fix and the county shall pay  
20 the salaries of juvenile court employees other than probation officers.

21 (c) In addition to their annual salary, probation officers shall be  
22 reimbursed for any necessary travel expenses incurred in the  
23 performance of their duties in accordance with the law governing state  
24 officers and employees."

25 Page 185, line 41, delete ":".

26 Page 185, line 42, delete "(A)".

27 Page 185, line 42, after "services" delete ";" and insert ".".

28 Page 185, line 42, delete "and".

29 Page 185, run in lines 41 through 42.

30 Page 186, delete line 1.

31 Page 187, line 12, after "welfare" insert "**settlement**".

32 Page 187, line 12, delete ", including" and insert ".".

33 Page 187, delete lines 13 through 15.

34 Page 187, line 40, after "department" insert "**or the division of**  
35 **family resources**".

36 Page 189, between lines 10 and 11, begin a new paragraph and  
37 insert:

38 "SECTION 51. IC 31-34-8-9 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The  
40 probation department for the juvenile court shall:

41 (1) collect the informal adjustment program fee set by section 8 of  
42 this chapter; and

43 (2) transfer the collected informal adjustment program fees to the  
44 ~~county~~ **auditor of state** not later than thirty (30) days after the fees  
45 are collected.

46 (b) The ~~county~~ **auditor of state** shall deposit the fees in the ~~county~~  
47 ~~user fee state~~ **general fund**. ~~established by IC 33-37-8-5~~."

- 1 Page 209, line 21, delete "county or".
- 2 Page 209, line 24, delete "and the amount of" and insert ".".
- 3 Page 209, delete line 25.
- 4 Page 209, line 27, strike "(a)".
- 5 Page 209, line 30, after "probation" insert "**services.**".
- 6 Page 209, delete lines 31 through 39.
- 7 Page 209, line 40, delete "(c)" and insert "**(b)**".
- 8 Page 209, line 42, delete ":".
- 9 Page 210, line 1, strike "(1) any services ordered by the juvenile
- 10 court".
- 11 Page 210, delete line 3.
- 12 Page 210, line 4, delete "county under subsection (b);".
- 13 Page 210, line 4, strike "and".
- 14 Page 210, line 5, strike "(2)".
- 15 Page 210, line 6, delete "(d)".
- 16 Page 210, line 6, strike "The county fiscal body shall provide
- 17 sufficient money to".
- 18 Page 210, line 7, strike "meet the".
- 19 Page 210, line 7, delete "county's obligation to reimburse the".
- 20 Page 210, delete lines 8 through 9.
- 21 Page 210, delete lines 35 through 42.
- 22 Page 211, delete lines 1 through 20.
- 23 Page 213, line 21, delete "(or must be reimbursed by the county)".
- 24 Page 213, line 21, strike "from" and insert "**by**".
- 25 Page 213, line 21, after "county" insert ";".
- 26 Page 213, line 22, delete "child welfare".
- 27 Page 213, line 22, strike "fund;".
- 28 Page 213, line 34, strike "division".
- 29 Page 213, line 34, delete "or the".
- 30 Page 213, line 37, strike "division".
- 31 Page 213, line 37, delete "or".
- 32 Page 214, line 7, delete "division or".
- 33 Page 214, line 9, delete "department of child services".
- 34 Page 214, line 9, strike "or the division.".
  - 35 Page 214, line 9, after "division." insert "**department of child**
  - 36 **services.**".
  - 37 Page 214, line 32, delete "Subject to section 3(e) of this chapter, all"
  - 38 and insert "All".
  - 39 Page 214, line 35, after "welfare" insert "**settlement**".
  - 40 Page 215, line 1, after "welfare" insert "**settlement**".
  - 41 Page 215, line 6, delete "child welfare fund." and insert ".".
  - 42 Page 215, between lines 6 and 7, begin a new paragraph and insert:
  - 43 "SECTION 52. IC 31-40-3-1 IS AMENDED TO READ AS
  - 44 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Subject to
  - 45 IC 31-40-1-3, juvenile court may order the parent or guardian of the
  - 46 estate of any child for whom a guardian ad litem or court appointed
  - 47 special advocate is appointed to pay to the ~~probation department clerk~~

a user fee of not more than one hundred dollars (\$100) for deposit by the probation department in:

(1) the guardian ad litem fund if a guardian ad litem has been appointed; or

(2) the court appointed special advocate fund if a court appointed special advocate has been appointed: **in the state general fund.**

SECTION 53. IC 31-40-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The ~~fiscal body of the county state~~ shall appropriate money from

(1) the guardian ad litem fund; or

(2) the court appointed special advocate fund;

**the state general fund** to the juvenile courts of the county for use by the courts in providing guardian ad litem or court appointed special advocate services and the costs of representation for the guardians ad litem or court appointed special advocates."

Page 215, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 54. IC 33-23-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Sitting in committee, the judges of the courts listed in section 3 of this chapter in each county shall determine the duties of the court administrator, and the court administrator shall perform the administrative duties the judges determine.

(b) The salary of the court administrator shall be determined by a majority of the judges listed in section 3 of this chapter in each county, sitting in committee. ~~The court administrator's salary shall be paid by the county upon the order of the majority of the committee of judges.~~

SECTION 55. IC 33-23-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) To implement this chapter, the judges of the courts, sitting in committee, may appoint additional personnel in sufficient number so that the courts are adequately served by the court administrator.

~~(b) The salaries of the additional personnel shall be paid by the county upon the order of the committee of judges.~~

SECTION 56. IC 33-23-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

#### **Chapter 14. Court Expenditures**

**Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:**

**(1) Circuit court.**

**(2) Superior court.**

**(3) Probate court.**

**(4) County court.**

**Sec. 2. As used in this chapter, "court" refers to a court described in section 1 of this chapter.**

**Sec. 3. (a) In addition to the authority provided to a court under**

IC 31 and this title to employ, manage, and fix the salary of a judicial officer, a bailiff, a court reporter, a probation officer, a court clerk, and other personnel (including an administrative officer) necessary to transact the business of the court, a court may, individually or jointly with another court, adopt rules to provide for the administration of the court, including rules governing the following:

- (1) Legal representation for indigents.
- (2) Budgetary matters of the court.
- (3) Operation of the probation department.
- (4) Employment and management of court administrative officers.
- (5) Appointment and management of court appointed special advocates and guardians ad litem.
- (6) Maintenance of an adequate law library.
- (7) Cooperative efforts with other courts for establishing and administering shared programs and facilities.
- (8) Operation of the office of the county clerk.

(b) The authority and rules of administration described in subsection (a) must be consistent with the rules adopted by the supreme court.

**Sec. 4.** A court shall submit a budget for the court to the division of state court administration in conformity with the rules adopted by the supreme court.

**Sec. 5.** The supreme court shall present a consolidated budget for the operation of all courts to the general assembly and the budget agency at the times and in the format the budget agency requests. The budget must cover all personnel and other operating expenses of courts except the expenditures described in sections 7 and 8 of this chapter.

**Sec. 6.** Except as provided in sections 7 and 8 of this chapter, the state shall pay the personnel and other operating expenses of all courts from the amounts appropriated for the operation of courts.

**Sec. 7. (a)** A county served by a court shall pay the following capital, personnel, and other operating expenses of a court that are not otherwise paid with federal, state, or private funds:

- (1) Costs of providing and maintaining a suitable courtroom and other rooms and facilities, including furniture and equipment, as may be necessary for the judge and administrative officers of the court.
- (2) Costs of providing and operating a juvenile detention facility (as defined in IC 31-9-2-71), except for the costs of employing probation officers who provide services in a juvenile detention facility in conformity with rules adopted by the supreme court.
- (3) Costs of providing and operating a secure private facility

(as defined in IC 31-9-2-115) operated by the court.

(4) Other costs for court operations as provided by law.

(b) The county shall provide a suitable place for each of the following courts sitting in the county to hold court:

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

**Sec. 8. Regardless of whether personnel from any of the following offices or programs are assigned to a court, a county shall pay the capital, personnel, and other operating expenses of the following offices and programs that are not otherwise paid by federal, state, or private funds:**

(1) Sheriff.

(2) Prosecuting attorney.

(3) Community corrections program.

(4) Other programs as provided by law.

**Sec. 9. The county executive shall provide and maintain a suitable courtroom and facilities, including furniture and equipment, as necessary, for the use of the judges and court administrative officers serving the county.**

SECTION 57. IC 33-23-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

#### **Chapter 15. Court Administrative Officers**

**Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:**

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

**Sec. 2. As used in this chapter, "administrative officer" means hearing judges, magistrates, commissioners, referees, bailiffs, court reporters, probation officers, or other permanent or temporary employees required to efficiently serve a court.**

**Sec. 3. As used in this chapter, "court" refers to a court described in section 1 of this chapter.**

**Sec. 4. A court may:**

(1) employ an administrative officer necessary to transact the business of the court;

(2) fix the salary of an administrative officer;

(3) submit a budget; and

(4) adopt rules and procedures for the administration of the court.

**Sec. 5. The supreme court may adopt rules to govern the employment and management of administrative officers. A court**

1 **shall comply with the rules adopted under this section.**

2 SECTION 58. IC 33-28-4-3 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The jury  
4 commissioners shall immediately, from the names of legal voters and  
5 citizens of the United States on the latest tax duplicate and the tax  
6 schedules of the county, examine for the purpose of determining the  
7 sex, age, and identity of prospective jurors, and proceed to select and  
8 deposit, in a box furnished by the clerk for that purpose, the names,  
9 written on separate slips of paper of uniform shape, size, and color, of  
10 twice as many persons as will be required by law for grand and petit  
11 jurors in the courts of the county, for all the terms of the courts, to  
12 begin with the following calendar year.

13 (b) Each selection shall be made as nearly as possible in proportion  
14 to the population of each county commissioner's district. In making the  
15 selections, the jury commissioners shall in all things observe their  
16 oaths. The jury commissioners shall not select the name of any person  
17 who is to them known to be interested in or has case pending that may  
18 be tried by a jury to be drawn from the names so selected.

19 (c) The jury commissioners shall deliver the locked box to the clerk  
20 of the circuit court, after having deposited into the box the names as  
21 directed under this section. The key shall be retained by one (1) of the  
22 jury commissioners, who may not be an adherent of the same political  
23 party as the clerk.

24 (d) In a county containing a consolidated city, the jury  
25 commissioners may, upon an order made by the judge of the circuit  
26 court and entered in the records of the circuit court of the county, make  
27 the selections and deposits required under this section monthly instead  
28 of annually. The jury commissioners may omit the personal  
29 examination of prospective jurors, the examination of voters lists, and  
30 make selection without reference to county commissioners' districts.  
31 The judge of the circuit court in a county containing a consolidated city  
32 may do the following:

33 (1) Appoint a secretary for the jury commissioners, and sufficient  
34 stenographic aid and clerical help to properly perform the duties  
35 of the jury commissioners.

36 (2) Fix the salaries of the commissioners, the secretary, and  
37 stenographic and clerical employees.

38 (3) Provide office quarters and necessary supplies for the jury  
39 commissioners and their employees.

40 ~~The expenses incurred under this subsection shall be paid for from the~~  
41 ~~treasury of the county upon the order of the court.~~

42 (e) Subject to appropriations made by the county fiscal body  
43 **approval by the division of state court administration**, the jury  
44 commissioners may use a computerized jury selection system.  
45 However, the system used for the selection system must be fair and  
46 may not violate the rights of persons with respect to the impartial and  
47 random selection of prospective jurors. The jurors selected under the

1 computerized jury selection system must be eligible for selection under  
 2 this chapter. The commissioners shall deliver the names of the  
 3 individuals selected to the clerk of the circuit court. The commissioners  
 4 shall observe their oath in all activities taken under this subsection.

5 (f) The jury commissioners may supplement voter registration lists  
 6 and tax schedules under subsection (a) with names from lists of persons  
 7 residing in the county that the jury commissioners may designate as  
 8 necessary to obtain a cross-section of the population of each county  
 9 commissioner's district. The lists designated by the jury commissioners  
 10 under this subsection must be used for the selection of jurors  
 11 throughout the entire county.

12 (g) The supplemental sources designated under subsection (f) may  
 13 consist of such lists as those of utility customers, persons filing income  
 14 tax returns, motor vehicle registrations, city directories, telephone  
 15 directories, and driver's licenses. These supplemental lists may not be  
 16 substituted for the voter registration list. The jury commissioners may  
 17 not draw more names from supplemental sources than are drawn from  
 18 the voter registration lists and tax schedules.

19 SECTION 59. IC 33-28-4-7, AS AMENDED BY P.L.2-2005,  
 20 SECTION 87, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JANUARY 1, 2007]: Sec. 7. (a) The circuit court shall  
 22 appoint a person to fill a vacancy, or to act for a jury commissioner, as  
 23 the case may require, if:

- 24 (1) a vacancy occurs in the office of jury commissioner;
- 25 (2) a jury commissioner fails to act when required; or
- 26 (3) illness or any other cause renders a jury commissioner unable  
 27 to act.

28 (b) A person appointed under subsection (a):

- 29 (1) must possess the qualifications required for jury  
 30 commissioners;
- 31 (2) must be an adherent of the same political party as is the  
 32 commissioner in whose stead the person is appointed to serve; and
- 33 (3) shall take the oath required by this chapter.

34 (c) For the time actually employed in the performance of jury  
 35 commissioner's duties, each jury commissioner shall be allowed a per  
 36 diem to be fixed by the court. ~~and paid out of the county treasury upon~~  
 37 ~~the warrant of the county auditor.~~

38 SECTION 60. IC 33-29-1-5 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judge  
 40 of a standard superior court shall appoint a bailiff and an official court  
 41 reporter for the court.

42 (b) The salaries of the bailiff and the official court reporter shall be  
 43 ~~(1) fixed in the same manner as the salaries of the bailiff and the~~  
 44 ~~official court reporter for the circuit court of the county in which~~  
 45 ~~the standard superior court is located. and~~

46 ~~(2) paid monthly~~

47 ~~(A) out of the treasury of the county in which the standard~~

1 superior court is located; and  
 2 ~~(B) as provided by law.~~

3 SECTION 61. IC 33-30-6-4 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. Any judge  
 5 transferred to a court in another county shall be paid travel and other  
 6 necessary expenses by the ~~county to which the judge is transferred.~~  
 7 **state.** An allowance for expenses shall be certified by the chief justice  
 8 in duplicate to the auditor of ~~the county.~~ **state.**

9 SECTION 62. IC 33-30-7-3 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The county  
 11 shall furnish all supplies, including the following:

- 12 (1) Blanks, forms, and papers of every kind required for use in all
- 13 cases.
- 14 (2) Furniture.
- 15 (3) Books.
- 16 (4) Papers.
- 17 (5) Stationery.
- 18 (6) Recording devices.
- 19 (7) Other equipment and supplies of every character necessary for
- 20 the keeping of the records of the proceedings and maintaining of
- 21 the county court.

22 (b) The county shall provide a suitable place for the holding of court  
 23 for the judge of the county court sitting in the county.

24 **(c) The ~~county~~ state shall pay the salary of the:**

- 25 (1) deputy clerk;
- 26 (2) county police officer;
- 27 (3) bailiff; and
- 28 (4) reporter;

29 assigned to the county court as prescribed by law.

30 SECTION 63. IC 33-30-7-4 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The salary  
 32 of a county court judge who serves more than one (1) county shall be  
 33 paid by the ~~respective counties~~ **state** in equal amounts.

34 (b) The salary of every county court judge, as set by IC 33-38-5,  
 35 shall be paid in equal monthly installments.

36 SECTION 64. IC 33-31-1-13 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) When a  
 38 person is appointed judge pro tem under this chapter, the appointee is  
 39 entitled to ten dollars (\$10) for each day the appointee serves as the  
 40 judge to be paid:

- 41 ~~(1) out of the county treasury of the county where the probate~~
- 42 ~~court is held;~~
- 43 ~~(2) upon the warrant of the county auditor; and~~
- 44 ~~(3) based upon the filing of a claim approved by the judge of the~~
- 45 ~~court. by the state from the state general fund.~~

46 (b) Any amount more than five hundred dollars (\$500) allowed to  
 47 a judge pro tem during any year shall be deducted by ~~the board of~~



1 ~~county commissioners~~ from the regular annual salary of the judge of the  
 2 probate court making the appointment unless the judge pro tem is  
 3 appointed on account of change of venue, relationship, interest as  
 4 former counsel, or absence of judge in case of serious sickness of the  
 5 judge or a family member of the judge.

6 SECTION 65. IC 33-31-1-20 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The same  
 8 docket fees shall be taxed in the court as are provided by law to be  
 9 taxed in the circuit court.

10 (b) The fees, when collected, shall be ~~paid by the clerk to the~~  
 11 ~~treasurer of the county to be applied in reimbursing the county for~~  
 12 ~~expenses of the court deposited in the state general fund.~~

13 SECTION 66. IC 33-31-1-22 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 22. The probate  
 15 court may appoint a chief clerk and other employees as the judge  
 16 considers necessary whose salaries shall be fixed by the judge. ~~and be~~  
 17 ~~paid out of the county treasury.~~

18 SECTION 67. IC 33-33-2-4 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The Allen  
 20 circuit court has concurrent jurisdiction with the Allen superior court  
 21 concerning paternity actions.

22 (b) In addition to the magistrate appointed under section 3 of this  
 23 chapter, the judge of the Allen circuit court may appoint a hearing  
 24 officer with the powers of a magistrate under IC 33-23-5. The hearing  
 25 officer continues in office until removed by the judge.

26 (c) The salary of a hearing officer appointed under subsection (b) is  
 27 equal to that of a magistrate under IC 33-23-5. ~~The hearing officer's~~  
 28 ~~salary must be paid by the county.~~ The hearing officer is a county  
 29 employee.

30 SECTION 68. IC 33-33-2-14 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The Allen  
 32 superior court may appoint probate commissioners, juvenile referees,  
 33 bailiffs, court reporters, probation officers, and other personnel,  
 34 including an administrative officer, the court believes are necessary to  
 35 facilitate and transact the business of the court.

36 (b) In addition to the personnel authorized under subsection (a) and  
 37 IC 31-31-3, the following magistrates may be appointed:

38 (1) The judges of the Allen superior court-civil division may  
 39 jointly appoint not more than four (4) full-time magistrates under  
 40 IC 33-23-5 to serve the Allen superior court-civil division. The  
 41 judges of the Allen superior court-civil division may jointly assign  
 42 any magistrates the duties and powers of a probate commissioner.

43 (2) The judge of the Allen superior court-criminal division may  
 44 jointly appoint not more than three (3) full-time magistrates under  
 45 IC 33-23-5 to serve the Allen superior court-criminal division.  
 46 Any magistrate serves at the pleasure of, and continues in office  
 47 until jointly removed by, the judges of the division that appointed

1 the magistrate.

2 (c) All appointments made under this section must be made without  
 3 regard to the political affiliation of the appointees. The salaries of the  
 4 personnel shall be fixed and paid as provided by law. If the salaries of  
 5 any of the personnel are not provided by law, the amount and time of  
 6 payment of the salaries shall be fixed by the court. ~~to be paid out of the~~  
 7 ~~county treasury by the county auditor; upon the order of the court; and~~  
 8 ~~be entered of record~~ The officers and persons appointed shall perform  
 9 duties as are prescribed by the court. Any administrative officer  
 10 appointed by the court shall operate under the jurisdiction of the chief  
 11 judge and serve at the pleasure of the chief judge. Any probate  
 12 commissioners, magistrates, juvenile referees, bailiffs, court reporters,  
 13 probation officers, and other personnel appointed by the court serve at  
 14 the pleasure of the court.

15 (d) Any probate commissioner appointed by the court may be vested  
 16 by the court with all suitable powers for the handling and management  
 17 of the probate and guardianship matters of the court, including the  
 18 fixing of all bonds, the auditing of accounts of estates and  
 19 guardianships and trusts, acceptance of reports, accounts, and  
 20 settlements filed in the court, the appointment of personal  
 21 representatives, guardians, and trustees, the probating of wills, the  
 22 taking and hearing of evidence on or concerning such matters, or any  
 23 other probate, guardianship, or trust matters in litigation before the  
 24 court, the enforcement of court rules and regulations, the making of  
 25 reports to the court concerning the probate commissioner's actions  
 26 under this subsection, including the taking and hearing of evidence  
 27 together with the commissioner's findings and conclusions regarding  
 28 the evidence. However, all matters under this subsection are under the  
 29 final jurisdiction and decision of the judges of the court.

30 (e) A juvenile referee appointed by the court may be vested by the  
 31 court with all suitable powers for the handling and management of the  
 32 juvenile matters of the court, including the fixing of bonds, the taking  
 33 and hearing of evidence on or concerning any juvenile matters in  
 34 litigation before the court, the enforcement of court rules and  
 35 regulations, and the making of reports to the court concerning the  
 36 referee's actions under this subsection. The actions of a juvenile referee  
 37 under this subsection are under final jurisdiction and decision of the  
 38 judges of the court.

39 (f) A probate commissioner or juvenile referee may:

- 40 (1) summon witnesses to testify before the commissioner or
  - 41 juvenile referee; and
  - 42 (2) administer oaths and take acknowledgments;
- 43 to carry out the commissioner's or juvenile referee's duties and powers.

44 (g) The powers of a magistrate appointed under this section include  
 45 the powers provided in IC 33-23-5 and the power to enter a final order  
 46 or judgment in any proceeding involving matters specified in  
 47 IC 33-29-2-3 (jurisdiction of small claims docket) or IC 34-26-5

(protective orders to prevent domestic or family violence).

SECTION 69. IC 33-33-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, the judge of the Blackford superior court may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, commissioner, or other person

(1) shall be fixed in the same manner as the salaries of the personnel for the Blackford circuit court. ~~and~~

(2) shall be paid monthly out of the treasury of Blackford County as provided by law.

(b) Personnel appointed under this section and IC 33-29-1-5 continue in office until removed by the judge of the court.

SECTION 70. IC 33-33-15-4, AS AMENDED BY P.L.237-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, each judge may appoint a referee, a commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, a commissioner, or other person

(1) shall be fixed in the same manner as the salaries of the personnel for the Dearborn circuit court. ~~and~~

(2) shall be paid monthly out of the treasury of Dearborn County as provided by law.

Personnel appointed under this section or IC 33-29-1-5 continue in office until removed by the judge of the court for which the personnel were appointed.

SECTION 71. IC 33-33-27.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of the Grant superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation as provided by law concerning bailiffs and official court reporters. ~~The compensation shall be paid monthly out of the treasury of Grant County.~~

SECTION 72. IC 33-33-27.3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The judge of the court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be

(1) fixed in the same manner as the salaries of the bailiff and official court reporter for the Grant circuit court, Grant superior court, and Grant superior court No. 2. ~~and~~

(2) paid monthly out of the treasury of Grant County as provided by law.

SECTION 73. IC 33-33-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to

the personnel that may be appointed under IC 33-29-1-5, the judge of each Hamilton superior court may appoint other personnel necessary to facilitate and transact the business of the court. The other necessary personnel shall serve at the pleasure of the court, and the judge shall fix their compensation within the limits and in the manner provided by law concerning other personnel of the court. ~~The compensation shall be paid monthly out of the treasury of Hamilton County in the manner provided by law.~~

SECTION 74. IC 33-33-35-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition to the personnel appointed under IC 33-29-1-5, the Huntington superior court may appoint a referee and other personnel as the court determines necessary to facilitate and transact the business of the court.

(b) Salaries of the personnel described in this section shall be fixed in the same manner as the salaries of the bailiff and official court reporter for the Huntington circuit court. ~~Their salaries shall be paid out of the treasury of Huntington County as provided by law.~~

SECTION 75. IC 33-33-45-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) The senior judge of each division may appoint the number of bailiffs, court reporters, probation officers, and other personnel as the senior judge believes is necessary to judicially and efficiently facilitate and transact the business of the division. All appointments shall be made without regard to the political affiliation of the appointees. The salaries of the court personnel shall be fixed and paid as provided by law. The officers and persons appointed shall:

(1) perform the duties prescribed by the senior judge of each respective division; and

(2) serve at the pleasure of the senior judge.

(b) The court shall appoint an administrative officer who has the duties the court determines are necessary to ensure the efficient operation of the court. The court may appoint the number of deputy administrative officers as the court considers necessary to facilitate and transact the business of the court. Any appointment of an administrative officer or deputy administrative officer shall be made without regard to the political affiliation of the appointees. The salaries of the administrative officer and any deputy administrative officer shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor, upon the order of the court, and entered of record.~~ Any administrative officer or deputy administrative officer appointed by the court shall:

(1) operate under the jurisdiction of the chief judge; and

(2) serve at the pleasure of the chief judge.

(c) The court may appoint part-time juvenile referees and magistrates as provided by IC 31-31-3.

(d) The court may appoint the number of probate commissioners provided for by IC 29-2-2. The probate commissioners shall be vested

1 with the powers and duties provided by IC 29.

2 SECTION 76. IC 33-33-48-7 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. In addition to  
 4 the personnel appointed under IC 33-29-1-5, the Madison superior  
 5 court may appoint probation officers and other personnel, including an  
 6 administrative officer, necessary to transact the business of the court.  
 7 The salaries of the personnel shall be fixed and paid as provided by  
 8 law. However, if the salaries of any of the personnel are not provided  
 9 by law, the amount and time of payment of the salaries shall be fixed  
 10 by the court. ~~to be paid out of the county treasury by the county auditor~~  
 11 ~~upon the order of the court, and be entered of record.~~ The officers and  
 12 persons appointed shall perform duties as prescribed by the court.  
 13 Personnel appointed by the court serve at the pleasure of the court.

14 SECTION 77. IC 33-33-59-4 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to  
 16 the personnel that may be appointed under IC 33-29-1-5, the judge of  
 17 the Orange superior may appoint a referee, commissioner, or other  
 18 personnel as the judge considers necessary to facilitate and transact the  
 19 business of the court. Their salaries must be fixed in the same manner  
 20 as the salaries of the personnel for the Orange circuit court. ~~Their~~  
 21 ~~salaries must be paid monthly out of the treasury of Orange County as~~  
 22 ~~provided by law.~~ Personnel appointed under this section continue in  
 23 office until removed by the judge of the court.

24 SECTION 78. IC 33-33-79.2-4 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk  
 26 of the Tippecanoe circuit court shall be the clerk of superior court No.  
 27 2 of Tippecanoe County, and the sheriff of Tippecanoe County shall be  
 28 the sheriff of superior court No. 2 of Tippecanoe County. The clerk and  
 29 sheriff shall attend court and discharge all the duties pertaining to their  
 30 respective office as they are required to do by law with reference to the  
 31 Tippecanoe circuit court.

32 (b) The judge of superior court No. 2 of Tippecanoe County shall  
 33 appoint a bailiff and an official reporter for the court to serve during the  
 34 court. The judge shall fix their compensation within the limits and in  
 35 the manner provided by law concerning bailiffs and official court  
 36 reporters. ~~The compensation shall be paid monthly out of the treasury~~  
 37 ~~of Tippecanoe County, in the manner provided by law.~~

38 SECTION 79. IC 33-33-79.2-6 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. Superior court  
 40 No. 2 of Tippecanoe County has the same original and appellate  
 41 jurisdiction possessed by the Tippecanoe circuit court in civil and  
 42 criminal cases, but not in matters of probate or juvenile jurisdiction.

43 SECTION 80. IC 33-33-79.4-6 IS AMENDED TO READ AS  
 44 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. The judges of  
 45 Tippecanoe superior court No. 4, No. 5, and No. 6:

46 (1) shall each appoint a bailiff and an official court reporter for the  
 47 court; and

(2) may each appoint other court personnel necessary to facilitate and transact the business of the court.

A person appointed under this section serves at the pleasure of the judge appointing the person. Their salaries shall be fixed in the same manner as the salaries of the bailiff, official court reporter, and other personnel for the Tippecanoe circuit court. ~~Their salaries shall be paid monthly out of the treasury of Tippecanoe County as provided by law.~~

SECTION 81. IC 33-33-84-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The superior court may appoint commissioners, probate commissioners, referees, juvenile referees, bailiffs, court reporters, probation officers, and other personnel, including an administrative officer, as the court believes are necessary to facilitate and transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor upon the order of the court, and be entered on record~~ The officers and persons appointed shall perform the duties as are prescribed by the court. Any such commissioners, probate commissioners, referees, juvenile referees, probation officers, and other personnel appointed by the court serve at the pleasure of the court.

(b) Any probate commissioner appointed by the court may be vested by the court with all suitable powers for the handling and management of the probate and guardianship matters of the court, including the fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, and making of reports to the court, including the taking and hearing of evidence together with the commissioner's findings and conclusions, under the final jurisdiction and decision of the judges of the court.

(c) Any juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the referee's doings under final jurisdiction and decision of the judges of the court.

(d) A probate commissioner and juvenile referee may summon witnesses to testify before the commissioner and juvenile referee, administer oaths, and take acknowledgments in connection with and in furtherance of their duties and powers.

SECTION 82. IC 33-33-89-5 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The judge of  
 2 the superior court shall appoint a bailiff and an official court reporter  
 3 for the court, to serve during the pleasure of the court. The judge shall  
 4 fix their per diem or salary within the limits and in the manner as  
 5 provided by law concerning bailiffs and official court reporters. ~~The~~  
 6 ~~bailiff and court reporter shall be paid monthly out of the treasury of~~  
 7 ~~Wayne County in the manner provided by law.~~

8 SECTION 83. IC 33-33-89.2-4 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of  
 10 the Wayne superior court No. 2 shall appoint a bailiff and an official  
 11 court reporter for the court, to serve at the pleasure of the court. The  
 12 judge shall fix their compensation within the limits and in the manner  
 13 as may be provided by law concerning bailiffs and official court  
 14 reporters. ~~The compensation shall be paid monthly out of the treasury~~  
 15 ~~of Wayne County in the manner provided by law.~~

16 SECTION 84. IC 33-33-92-4 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) If the  
 18 Whitley county executive establishes the position of small claims  
 19 referee to serve the Whitley superior court, the judge of the Whitley  
 20 superior court may appoint a part-time small claims referee under  
 21 IC 33-29-3 to assist the court in the exercise of its small claims  
 22 jurisdiction.

23 (b) The small claims referee is entitled to reasonable compensation  
 24 not exceeding twenty thousand dollars (\$20,000) as recommended by  
 25 the judge of the Whitley superior court to be paid by the county after  
 26 the compensation is approved by the county fiscal body. The state shall  
 27 pay ~~fifty percent (50%) of the salary set under this subsection. and the~~  
 28 ~~county shall pay the remainder of the salary.~~

29 (c) The Whitley County executive shall provide and maintain a  
 30 suitable courtroom and facilities for the use of the small claims referee,  
 31 including furniture and equipment, as necessary.

32 (d) The Whitley superior court shall employ administrative staff  
 33 necessary to support the functions of the small claims referee.

34 (e) The county fiscal body shall appropriate sufficient funds for the  
 35 provision of staff and facilities required under this section.

36 SECTION 85. IC 33-37-5-19 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 19. (a) The clerk  
 38 shall collect a jury fee of two dollars (\$2) in each action in which a  
 39 defendant is found to have committed a crime, violated a statute  
 40 defining an infraction, or violated an ordinance of a municipal  
 41 corporation.

42 (b) The fee collected under this section shall be deposited into the  
 43 ~~county user fee state general fund. established by IC 33-37-8-5.~~

44 SECTION 86. IC 33-37-7-2, AS AMENDED BY P.L.176-2005,  
 45 SECTION 16, IS AMENDED TO READ AS FOLLOWS  
 46 [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The clerk of a circuit  
 47 court shall distribute semiannually to the auditor of state as the state

share for deposit in the state general fund ~~seventy ninety-seven percent~~  
(~~70%~~) (97%) of the amount of fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-3(a) (juvenile costs fees).
- (4) IC 33-37-4-4(a) (civil costs fees).
- (5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- (6) IC 33-37-4-7(a) (probate costs fees).
- (7) ~~IC 33-37-5-17 (deferred prosecution fees):~~

(b) The clerk of a circuit court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9-2 the following:

- (1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).
- (2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).
- (3) Fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).
- (4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).
- (5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).
- (6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.
- (7) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

- (1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).
- (2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7). The county auditor shall deposit fees distributed by a clerk under this subsection into the county child advocacy fund established under IC 12-17-17.

(e) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed



1 by a clerk under this subsection as follows:

2 (1) If directed to do so by an ordinance adopted by the county  
3 fiscal body, the county auditor shall deposit forty percent (40%)  
4 of the fees in the clerk's record perpetuation fund established  
5 under IC 33-37-5-2 and sixty percent (60%) of the fees in the  
6 county general fund.

7 (2) If the county fiscal body has not adopted an ordinance  
8 described in subdivision (1), the county auditor shall deposit all  
9 the fees in the county general fund.

10 (f) The clerk of the circuit court shall distribute semiannually to the  
11 auditor of state for deposit in the sexual assault victims assistance fund  
12 established by IC 16-19-13-6 one hundred percent (100%) of the sexual  
13 assault victims assistance fees collected under IC 33-37-5-23.

14 (g) The clerk of a circuit court shall distribute monthly to the county  
15 auditor the following:

16 (1) One hundred percent (100%) of the support and maintenance  
17 fees for cases designated as non-Title IV-D child support cases in  
18 the Indiana support enforcement tracking system (ISETS)  
19 collected under IC 33-37-5-6.

20 (2) The percentage share of the support and maintenance fees for  
21 cases designated as IV-D child support cases in ISETS collected  
22 under IC 33-37-5-6 that is reimbursable to the county at the  
23 federal financial participation rate.

24 The county clerk shall distribute monthly to the office of the secretary  
25 of family and social services the percentage share of the support and  
26 maintenance fees for cases designated as Title IV-D child support cases  
27 in ISETS collected under IC 33-37-5-6 that is not reimbursable to the  
28 county at the applicable federal financial participation rate.

29 (h) The clerk of a circuit court shall distribute monthly to the county  
30 auditor one hundred percent (100%) of the small claims service fee  
31 under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in the  
32 county general fund.

33 (i) The clerk of a circuit court shall semiannually distribute to the  
34 auditor of state for deposit in the state general fund one hundred percent  
35 (100%) of the following:

36 (1) The public defense administration fee collected under  
37 IC 33-37-5-21.2.

38 (2) The judicial salaries fees collected under IC 33-37-5-26.

39 (3) The DNA sample processing fees collected under  
40 IC 33-37-5-26.2.

41 (4) The court administration fees collected under IC 33-37-5-27.

42 (j) The clerk of a circuit court shall semiannually distribute to the  
43 auditor of state for deposit in the judicial branch insurance adjustment  
44 account established by IC 33-38-5-8.2 one hundred percent (100%) of  
45 the judicial insurance adjustment fee collected under IC 33-37-5-25.

46 (k) The proceeds of the service fee collected under IC 33-37-5-28  
47 shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

SECTION 87. IC 33-37-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk of a circuit court shall forward the county share of fees collected to the county auditor in accordance with IC 33-37-7-12(a). The auditor shall retain as the county share twenty-seven percent (27%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees);

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees);

(3) IC 33-37-4-3(a) (juvenile costs fees);

(4) IC 33-37-4-4(a) (civil costs fees);

(5) IC 33-37-4-6(a)(1) (small claims costs fees);

(6) IC 33-37-4-7(a) (probate costs fees);

(7) IC 33-37-5-17 (deferred prosecution fees).

(b) This section applies after June 30, 2005.

SECTION 88. IC 33-38-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. The judge of the circuit, superior, criminal, probate, and juvenile courts in each county having a population of at least thirty-five thousand (35,000) shall appoint a bailiff and may appoint a riding bailiff for the judge's court, whose per diem shall be fixed by the court. ~~to be paid from the county treasury.~~

SECTION 89. IC 33-38-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The salary for the chief clerk:

(1) shall be fixed by the judge of the court; **and**

(2) may not be more than four thousand eight hundred dollars (\$4,800) per year. ~~and~~

(3) ~~shall be paid in monthly installments from the county treasury of the county in which the court is located.~~

SECTION 90. IC 33-38-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. A temporary judge is entitled to twenty-five dollars (\$25) ~~paid by the county~~; for each day of service as a temporary judge.

SECTION 91. IC 33-39-1-6, AS AMENDED BY P.L.222-2005, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Special prosecutors may be appointed under this section or in accordance with IC 4-2-7-7.

(b) A circuit or superior court judge:

(1) shall appoint a special prosecutor if:

(A) any person other than the prosecuting attorney or the prosecuting attorney's deputy files a verified petition

- 1 requesting the appointment of a special prosecutor; and
- 2 (B) the prosecuting attorney agrees that a special prosecutor is
- 3 needed;
- 4 (2) may appoint a special prosecutor if:
  - 5 (A) a person files a verified petition requesting the
  - 6 appointment of a special prosecutor; and
  - 7 (B) the court, after:
    - 8 (i) notice is given to the prosecuting attorney; and
    - 9 (ii) an evidentiary hearing is conducted at which the
    - 10 prosecuting attorney is given an opportunity to be heard;
    - 11 finds by clear and convincing evidence that the appointment is
    - 12 necessary to avoid an actual conflict of interest or there is
    - 13 probable cause to believe that the prosecutor has committed a
    - 14 crime;
  - 15 (3) may appoint a special prosecutor if:
    - 16 (A) the prosecuting attorney files a petition requesting the
    - 17 court to appoint a special prosecutor; and
    - 18 (B) the court finds that the appointment is necessary to avoid
    - 19 the appearance of impropriety; and
  - 20 (4) may appoint a special prosecutor if:
    - 21 (A) an elected public official, who is a defendant in a criminal
    - 22 proceeding, files a verified petition requesting a special
    - 23 prosecutor within ten (10) days after the date of the initial
    - 24 hearing; and
    - 25 (B) the court finds that the appointment of a special prosecutor
    - 26 is in the best interests of justice.
- 27 (c) Each person appointed to serve as a special prosecutor:
  - 28 (1) must consent to the appointment; and
  - 29 (2) must be:
    - 30 (A) the prosecuting attorney or a deputy prosecuting attorney
    - 31 in a county other than the county in which the person is to
    - 32 serve as special prosecutor; or
    - 33 (B) except as provided in subsection (d), a senior prosecuting
    - 34 attorney.
  - 35 (d) A senior prosecuting attorney may be appointed in the county in
  - 36 which the senior prosecuting attorney previously served if the court
  - 37 finds that an appointment under this subsection would not create the
  - 38 appearance of impropriety.
  - 39 (e) A person appointed to serve as a special prosecutor has the same
  - 40 powers as the prosecuting attorney of the county. However, the
  - 41 appointing judge shall limit scope of the special prosecutor's duties to
  - 42 include only the investigation or prosecution of a particular case or
  - 43 particular grand jury investigation.
  - 44 (f) The court shall establish the length of the special prosecutor's
  - 45 term. If the target of an investigation by the special prosecutor is a
  - 46 public servant (as defined in IC 35-41-1-24), the court shall order the
  - 47 special prosecutor to file a report of the investigation with the court at

the conclusion of the investigation. The report is a public record.

(g) If the special prosecutor is not regularly employed as a full-time prosecuting attorney or full-time deputy prosecuting attorney, the compensation for the special prosecutor's services

~~(1) shall be paid to the special prosecutor from the unappropriated funds of the appointing county; and~~

~~(2) may not exceed:~~

~~(A) (1) a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit; and~~

~~(B) (2) travel expenses and reasonable accommodation expenses actually incurred.~~

(h) If the special prosecutor is regularly employed as a full-time prosecuting attorney or deputy prosecuting attorney, the compensation for the special prosecutor's services

~~(1) shall be paid out of the appointing county's unappropriated funds to the treasurer of the county in which the special prosecutor regularly serves; and~~

~~(2) must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, travel expenses, and reasonable accommodation expenses actually incurred.~~

(i) The combination of:

(1) the compensation paid to a senior prosecuting attorney under this chapter; and

(2) retirement benefits that the person appointed as a senior prosecuting attorney is receiving or entitled to receive;

may not exceed the minimum compensation to which a full-time prosecuting attorney is entitled under IC 33-39-6-5.

(j) A senior prosecuting attorney appointed under this chapter may not be compensated as senior prosecuting attorney for more than one hundred (100) calendar days in total during a calendar year.

SECTION 92. IC 33-39-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Except as provided in section 2 of this chapter and upon the order of a judge trying a criminal case, ~~the county auditor shall pay to a prosecuting attorney from funds in the county treasury not otherwise appropriated and as a part of the costs of the trial; shall be paid~~ an amount equal to the expenses necessarily incurred by a prosecuting attorney in traveling to attend the taking of any deposition in connection with the criminal action.

SECTION 93. IC 33-39-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) The compensation provided in this chapter for prosecuting attorneys and their deputies is in full for all services required by law. Prosecuting attorneys shall appear in all courts and in all cases where the law provides that they shall appear.

(b) Prosecuting attorneys, deputy prosecuting attorneys, and

investigators are entitled to a sum for mileage for the miles necessarily traveled in the discharge of their duties. The sum for mileage provided by this subsection must:

(1) equal the sum per mile paid to state officers and employees, with the rate changing each time the state government changes its rate per mile; **and**

(2) be allowed by the board of county commissioners on a claim duly filed monthly by the prosecutor, deputy prosecuting attorneys, and investigators itemizing the specific mileage traveled. ~~and~~

~~(3) be paid by the county in which the duty arose that necessitated the travel.~~

(c) This chapter does not prohibit the payment of other expenses as may be allowed by law.

(d) If a board of county commissioners does not furnish the prosecuting attorney with office space, the county council shall appropriate a reasonable amount of money per year to the prosecuting attorney for office space.

SECTION 94. IC 33-40-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) This chapter does not prevent a court from appointing counsel other than counsel provided for under the board's plan for providing defense services to an indigent person when the interests of justice require. A court may also appoint counsel to assist counsel provided for under the board's plan as co-counsel when the interests of justice require. Expenditures by a county for defense services not provided under the county public defender board's plan are not subject to reimbursement from the public defense fund under IC 33-40-6.

(b) A judge of a court having criminal jurisdiction may make a written request to the state public defender to provide a qualified attorney for the defense of a person charged in the court with a criminal offense and eligible for representation at public expense if the judge determines:

(1) that an attorney provided under the county public defender board's plan is not qualified or available to represent the person; or

(2) that in the interests of justice an attorney other than the attorney provided for by the county defender board's plan should be appointed.

The judge shall attach to the request a copy of the information or indictment. ~~Expenditures for representation under this subsection shall be paid by the county according to a fee schedule approved by the commission. These expenditures are eligible for reimbursement from the public defense fund.~~

SECTION 95. IC 33-40-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Subject to subsection (b), if an indigent person:

(1) desires to appeal to the supreme court or the court of appeals the decision of a trial court in a criminal case; and

(2) does not have sufficient means to procure the typed or printed manuscript or transcript of the evidence taken by the court reporter;

the court shall direct the court reporter to transcribe the notes of evidence into a typed or printed manuscript or transcript as soon as practicable and deliver the manuscript or transcript to the indigent person.

(b) Notwithstanding subsection (a):

(1) the court must be satisfied that the indigent person lacks sufficient means to pay the court reporter for making the manuscript or transcript of evidence; and

(2) the court reporter may charge the compensation allowed by law in cases for making and furnishing a manuscript or transcript.

~~The reporter shall be paid by the court from the proper county treasury.~~

SECTION 96. IC 33-41-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. The annual salary of each court reporter shall be fixed as provided in this chapter according to the county or counties in which the court reporter holds office. A county or counties may add additional increments to the minimum annual salary according to the usual budget procedures. ~~The salaries shall be paid in equal monthly installments.~~

SECTION 97. IC 35-33-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Prior to the completion of the initial hearing, the judicial officer shall determine whether a person who requests assigned counsel is indigent. If the person is found to be indigent, the judicial officer shall assign counsel to the person.

(b) If jurisdiction over an indigent defendant is transferred to another court, the receiving court shall assign counsel immediately upon acquiring jurisdiction over the defendant.

(c) If the court finds that the person is able to pay part of the cost of representation by the assigned counsel, the court shall order the person to pay the following:

(1) For a felony action, a fee of one hundred dollars (\$100).

(2) For a misdemeanor action, a fee of fifty dollars (\$50).

The clerk of the court shall deposit fees collected under this subsection in the ~~county's supplemental public defender services fund established under IC 33-40-3-1~~ **state general fund.**

(d) The court may review the finding of indigency at any time during the proceedings.

SECTION 98. IC 35-38-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Whenever it places a person on probation, the court shall:

(1) specify in the record the conditions of the probation; and

(2) advise the person that if the person violates a condition of probation during the probationary period, a petition to revoke probation may be filed before the earlier of the following:

(A) One (1) year after the termination of probation.

(B) Forty-five (45) days after the state receives notice of the violation.

(b) In addition, if the person was convicted of a felony and is placed on probation, the court shall order the person to pay to the probation department the user's fee prescribed under subsection ~~(c)~~ **(d)**. If the person was convicted of a misdemeanor, the court may order the person to pay the user's fee prescribed under subsection ~~(d)~~ **(e)**. The court may:

(1) modify the conditions (except a fee payment may only be modified as provided in section 1.7(b) of this chapter); or

(2) terminate the probation;

at any time. If the person commits an additional crime, the court may revoke the probation.

(c) If a clerk of a court collects a probation user's fee, the clerk:

(1) may keep not more than three percent (3%) of the fee to defray the administrative costs of collecting the fee and shall deposit any fee kept under this subsection in the clerk's record perpetuation fund established under IC 33-37-5-2; and

(2) if requested to do so by the county auditor, city fiscal officer, or town fiscal officer under clause (A), (B), or (C), transfer not more than three percent (3%) of the fee to the:

(A) county auditor, who shall deposit the money transferred under this subdivision into the county general fund;

(B) city general fund when requested by the city fiscal officer; or

(C) town general fund when requested by the town fiscal officer.

(d) In addition to any other conditions of probation, the court shall order each person convicted of a felony to pay:

(1) not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100) as an initial probation user's fee;

(2) a monthly probation user's fee of not less than fifteen dollars (\$15) nor more than thirty dollars (\$30) for each month that the person remains on probation;

(3) the costs of the laboratory test or series of tests to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV) if such tests are required by the court under section 2.3 of this chapter;

(4) an alcohol abuse deterrent fee and a medical fee set by the court under IC 9-30-9-8, if the court has referred the defendant to an alcohol abuse deterrent program; and

(5) an administrative fee of one hundred dollars (\$100);

1 to either the probation department or the clerk.

2 (e) In addition to any other conditions of probation, the court may  
3 order each person convicted of a misdemeanor to pay:

- 4 (1) not more than a fifty dollar (\$50) initial probation user's fee;
- 5 (2) a monthly probation user's fee of not less than ten dollars (\$10)
- 6 nor more than twenty dollars (\$20) for each month that the person
- 7 remains on probation;
- 8 (3) the costs of the laboratory test or series of tests to detect and
- 9 confirm the presence of the human immunodeficiency virus (HIV)
- 10 antigen or antibodies to the human immunodeficiency virus (HIV)
- 11 if such tests are required by the court under section 2.3 of this
- 12 chapter; and
- 13 (4) an administrative fee of fifty dollars (\$50);

14 to either the probation department or the clerk.

15 (f) The probation department or clerk shall collect the administrative  
16 fees under subsections (d)(5) and (e)(4) before collecting any other fee  
17 under subsection (d) or (e). All money collected by the probation  
18 department or the clerk under this section shall be transferred to the  
19 ~~county~~ **treasurer of state**, who shall deposit the money into the ~~county~~  
20 **supplemental adult probation services fund state general fund**. The  
21 ~~fiscal body of the county shall appropriate money from the county~~  
22 ~~supplemental adult probation services fund:~~

- 23 (1) ~~to the county; superior, circuit, or municipal court of the~~
- 24 ~~county that provides probation services to adults to supplement~~
- 25 ~~adult probation services; and~~
- 26 (2) ~~to supplement the salaries of probation officers in accordance~~
- 27 ~~with the schedule adopted by the county fiscal body under~~
- 28 ~~IC 36-2-16.5.~~

29 (g) The probation department or clerk shall collect the administrative  
30 fee under subsection (e)(4) before collecting any other fee under  
31 subsection (e). All money collected by the probation department or the  
32 clerk of a city or town court under this section shall be transferred to  
33 the ~~fiscal officer of the city or town~~ for deposit into the ~~local~~  
34 **supplemental adult probation services fund**. The ~~fiscal body of the city~~  
35 ~~or town shall appropriate money from the local supplemental adult~~  
36 ~~probation services fund to the city or town court of the city or town for~~  
37 ~~the court's use in providing probation services to adults or for the~~  
38 ~~court's use for other purposes as may be appropriated by the fiscal~~  
39 ~~body. Money may be appropriated under this subsection only to those~~  
40 ~~city or town courts that have an adult probation services program. If a~~  
41 ~~city or town court does not have such a program, the money collected~~  
42 ~~by the probation department must be transferred and appropriated as~~  
43 ~~provided under subsection (f).~~ **state general fund.**

44 (h) Except as provided in subsection (j), the county or local  
45 supplemental adult probation services fund may be used only to  
46 supplement probation services and to supplement salaries for probation  
47 officers. A supplemental probation services fund may not be used to



replace other funding of probation services. Any money remaining in the fund at the end of the year does not revert to any other fund but continues in the county or local supplemental adult probation services fund.

(i) A person placed on probation for more than one (1) crime:

(1) may be required to pay more than one (1) initial probation user's fee; and

(2) may not be required to pay more than one (1) monthly probation user's fee per month;

to the probation department or the clerk.

(j) This subsection applies to a city or town located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). Any money remaining in the local supplemental adult probation services fund at the end of the local fiscal year may be appropriated by the city or town fiscal body to the city or town court for use by the court for purposes determined by the fiscal body.

(k) In addition to other methods of payment allowed by law, a probation department may accept payment of fees required under this section and section 1.5 of this chapter by credit card (as defined in IC 14-11-1-7). The liability for payment is not discharged until the probation department receives payment or credit from the institution responsible for making the payment or credit.

(l) The probation department may contract with a bank or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the probation department or charged directly to the probation department's account, the probation department may collect a credit card service fee from the person using the bank or credit card. The fee collected under this subsection is a permitted additional charge to the money the probation department is required to collect under subsection (d) or (e).

(m) The probation department shall forward the credit card service fees collected under subsection (l) to the ~~county treasurer or city or town fiscal officer~~ **treasurer of state** in accordance with subsection (f) or (g). These funds may be used without appropriation to pay the transaction charge or discount fee charged by the bank or credit card vendor."

Page 218, line 8, strike "IC 6-1.1-21-2(b)" and insert "**IC 6-10-2**".

Page 218, line 9, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

Page 218, line 10, strike "IC 6-1.1-21-5" and insert "**IC 6-10-2**".

Page 218, line 11, strike "IC 6-1.1-21-4 and IC 6-1.1-21-5" and insert "**IC 6-10-3**".

Page 229, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 100. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39. (a) As used in this section:

1 "Allocation area" means that part of a redevelopment project area to  
 2 which an allocation provision of a declaratory resolution adopted under  
 3 section 15 of this chapter refers for purposes of distribution and  
 4 allocation of property taxes.

5 "Base assessed value" means the following:

6 (1) If an allocation provision is adopted after June 30, 1995, in a  
 7 declaratory resolution or an amendment to a declaratory resolution  
 8 establishing an economic development area:

9 (A) the net assessed value of all the property as finally  
 10 determined for the assessment date immediately preceding the  
 11 effective date of the allocation provision of the declaratory  
 12 resolution, as adjusted under subsection (h); plus

13 (B) to the extent that it is not included in clause (A), the net  
 14 assessed value of property that is assessed as residential  
 15 property under the rules of the department of local government  
 16 finance, as finally determined for any assessment date after the  
 17 effective date of the allocation provision.

18 (2) If an allocation provision is adopted after June 30, 1997, in a  
 19 declaratory resolution or an amendment to a declaratory resolution  
 20 establishing a redevelopment project area:

21 (A) the net assessed value of all the property as finally  
 22 determined for the assessment date immediately preceding the  
 23 effective date of the allocation provision of the declaratory  
 24 resolution, as adjusted under subsection (h); plus

25 (B) to the extent that it is not included in clause (A), the net  
 26 assessed value of property that is assessed as residential  
 27 property under the rules of the department of local government  
 28 finance, as finally determined for any assessment date after the  
 29 effective date of the allocation provision.

30 (3) If:

31 (A) an allocation provision adopted before June 30, 1995, in a  
 32 declaratory resolution or an amendment to a declaratory  
 33 resolution establishing a redevelopment project area expires  
 34 after June 30, 1997; and

35 (B) after June 30, 1997, a new allocation provision is included  
 36 in an amendment to the declaratory resolution;

37 the net assessed value of all the property as finally determined for  
 38 the assessment date immediately preceding the effective date of  
 39 the allocation provision adopted after June 30, 1997, as adjusted  
 40 under subsection (h).

41 (4) Except as provided in subdivision (5), for all other allocation  
 42 areas, the net assessed value of all the property as finally  
 43 determined for the assessment date immediately preceding the  
 44 effective date of the allocation provision of the declaratory  
 45 resolution, as adjusted under subsection (h).

46 (5) If an allocation area established in an economic development  
 47 area before July 1, 1995, is expanded after June 30, 1995, the

1 definition in subdivision (1) applies to the expanded part of the  
 2 area added after June 30, 1995.

3 (6) If an allocation area established in a redevelopment project  
 4 area before July 1, 1997, is expanded after June 30, 1997, the  
 5 definition in subdivision (2) applies to the expanded part of the  
 6 area added after June 30, 1997.

7 Except as provided in section 39.3 of this chapter, "property taxes"  
 8 means taxes imposed under IC 6-1.1 on real property. However, upon  
 9 approval by a resolution of the redevelopment commission adopted  
 10 before June 1, 1987, "property taxes" also includes taxes imposed under  
 11 IC 6-1.1 on depreciable personal property. If a redevelopment  
 12 commission adopted before June 1, 1987, a resolution to include within  
 13 the definition of property taxes taxes imposed under IC 6-1.1 on  
 14 depreciable personal property that has a useful life in excess of eight (8)  
 15 years, the commission may by resolution determine the percentage of  
 16 taxes imposed under IC 6-1.1 on all depreciable personal property that  
 17 will be included within the definition of property taxes. However, the  
 18 percentage included must not exceed twenty-five percent (25%) of the  
 19 taxes imposed under IC 6-1.1 on all depreciable personal property.

20 (b) A declaratory resolution adopted under section 15 of this chapter  
 21 on or before the allocation deadline determined under subsection (i)  
 22 may include a provision with respect to the allocation and distribution  
 23 of property taxes for the purposes and in the manner provided in this  
 24 section. A declaratory resolution previously adopted may include an  
 25 allocation provision by the amendment of that declaratory resolution on  
 26 or before the allocation deadline determined under subsection (i) in  
 27 accordance with the procedures required for its original adoption. A  
 28 declaratory resolution or an amendment that establishes an allocation  
 29 provision after June 30, 1995, must specify an expiration date for the  
 30 allocation provision that may not be more than thirty (30) years after  
 31 the date on which the allocation provision is established. However, if  
 32 bonds or other obligations that were scheduled when issued to mature  
 33 before the specified expiration date and that are payable only from  
 34 allocated tax proceeds with respect to the allocation area remain  
 35 outstanding as of the expiration date, the allocation provision does not  
 36 expire until all of the bonds or other obligations are no longer  
 37 outstanding. The allocation provision may apply to all or part of the  
 38 redevelopment project area. The allocation provision must require that  
 39 any property taxes subsequently levied by or for the benefit of any  
 40 public body entitled to a distribution of property taxes on taxable  
 41 property in the allocation area be allocated and distributed as follows:

42 (1) Except as otherwise provided in this section, the proceeds of  
 43 the taxes attributable to the lesser of:

44 (A) the assessed value of the property for the assessment date  
 45 with respect to which the allocation and distribution is made;

46 or

47 (B) the base assessed value;

1 shall be allocated to and, when collected, paid into the funds of  
2 the respective taxing units.

3 (2) Except as otherwise provided in this section, property tax  
4 proceeds in excess of those described in subdivision (1) shall be  
5 allocated to the redevelopment district and, when collected, paid  
6 into an allocation fund for that allocation area that may be used by  
7 the redevelopment district only to do one (1) or more of the  
8 following:

9 (A) Pay the principal of and interest on any obligations  
10 payable solely from allocated tax proceeds which are incurred  
11 by the redevelopment district for the purpose of financing or  
12 refinancing the redevelopment of that allocation area.

13 (B) Establish, augment, or restore the debt service reserve for  
14 bonds payable solely or in part from allocated tax proceeds in  
15 that allocation area.

16 (C) Pay the principal of and interest on bonds payable from  
17 allocated tax proceeds in that allocation area and from the  
18 special tax levied under section 27 of this chapter.

19 (D) Pay the principal of and interest on bonds issued by the  
20 unit to pay for local public improvements in or serving that  
21 allocation area.

22 (E) Pay premiums on the redemption before maturity of bonds  
23 payable solely or in part from allocated tax proceeds in that  
24 allocation area.

25 (F) Make payments on leases payable from allocated tax  
26 proceeds in that allocation area under section 25.2 of this  
27 chapter.

28 (G) Reimburse the unit for expenditures made by it for local  
29 public improvements (which include buildings, parking  
30 facilities, and other items described in section 25.1(a) of this  
31 chapter) in or serving that allocation area.

32 (H) Reimburse the unit for rentals paid by it for a building or  
33 parking facility in or serving that allocation area under any  
34 lease entered into under IC 36-1-10.

35 (I) Pay all or a part of a property tax replacement credit to  
36 taxpayers in an allocation area as determined by the  
37 redevelopment commission. This credit equals the amount  
38 determined under the following STEPS for each taxpayer in a  
39 taxing district (as defined in ~~IC 6-1.1-1-20~~ **IC 6-10-2**) that  
40 contains all or part of the allocation area:

41 STEP ONE: Determine that part of the sum of the amounts  
42 under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~,  
43 ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and  
44 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing  
45 district.

46 STEP TWO: Divide:

47 (i) that part of each county's eligible property tax

1 replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**  
 2 for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3**  
 3 that is attributable to the taxing district; by

4 (ii) the STEP ONE sum.

5 STEP THREE: Multiply:

6 (i) the STEP TWO quotient; times

7 (ii) the total amount of the taxpayer's taxes (as defined in  
 8 ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that  
 9 have been allocated during that year to an allocation fund  
 10 under this section.

11 If not all the taxpayers in an allocation area receive the credit  
 12 in full, each taxpayer in the allocation area is entitled to receive  
 13 the same proportion of the credit. A taxpayer may not receive  
 14 a credit under this section and a credit under section 39.5 of  
 15 this chapter in the same year.

16 (J) Pay expenses incurred by the redevelopment commission  
 17 for local public improvements that are in the allocation area or  
 18 serving the allocation area. Public improvements include  
 19 buildings, parking facilities, and other items described in  
 20 section 25.1(a) of this chapter.

21 (K) Reimburse public and private entities for expenses  
 22 incurred in training employees of industrial facilities that are  
 23 located:

24 (i) in the allocation area; and

25 (ii) on a parcel of real property that has been classified as  
 26 industrial property under the rules of the department of local  
 27 government finance.

28 However, the total amount of money spent for this purpose in  
 29 any year may not exceed the total amount of money in the  
 30 allocation fund that is attributable to property taxes paid by the  
 31 industrial facilities described in this clause. The  
 32 reimbursements under this clause must be made within three  
 33 (3) years after the date on which the investments that are the  
 34 basis for the increment financing are made.

35 The allocation fund may not be used for operating expenses of the  
 36 commission.

37 (3) Except as provided in subsection (g), before July 15 of each  
 38 year the commission shall do the following:

39 (A) Determine the amount, if any, by which the base assessed  
 40 value when multiplied by the estimated tax rate of the  
 41 allocation area will exceed the amount of assessed value  
 42 needed to produce the property taxes necessary to make, when  
 43 due, principal and interest payments on bonds described in  
 44 subdivision (2) plus the amount necessary for other purposes  
 45 described in subdivision (2).

46 (B) Notify the county auditor of the amount, if any, of the  
 47 amount of excess assessed value that the commission has

determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the

property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 101. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth

1 in IC 6-1.1-1-20.

2 (c) Subject to subsection (e) and except as provided in subsection  
3 (h), each taxpayer in an allocation area is entitled to an additional credit  
4 for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under  
5 IC 6-1.1-22-9 are due and payable in May and November of that year.  
6 Except as provided in subsection (h), one-half (1/2) of the credit shall  
7 be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~;  
8 **IC 6-10-2**). This credit equals the amount determined under the  
9 following STEPS for each taxpayer in a taxing district that contains all  
10 or part of the allocation area:

11 STEP ONE: Determine that part of the sum of the amounts under  
12 ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~, ~~IC 6-1.1-21-2(g)(3)~~,  
13 ~~IC 6-1.1-21-2(g)(4)~~, and ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is  
14 attributable to the taxing district.

15 STEP TWO: Divide:

16 (A) that part of each county's eligible property tax replacement  
17 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year  
18 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is  
19 attributable to the taxing district; by

20 (B) the STEP ONE sum.

21 STEP THREE: Multiply:

22 (A) the STEP TWO quotient; times

23 (B) the total amount of the taxpayer's taxes (as defined in  
24 ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that  
25 would have been allocated to an allocation fund under section  
26 39 of this chapter had the additional credit described in this  
27 section not been given.

28 The additional credit reduces the amount of proceeds allocated to the  
29 redevelopment district and paid into an allocation fund under section  
30 39(b)(2) of this chapter.

31 (d) If the additional credit under subsection (c) is not reduced under  
32 subsection (e) or (f), the credit for property tax replacement under  
33 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)  
34 shall be computed on an aggregate basis for all taxpayers in a taxing  
35 district that contains all or part of an allocation area. The credit for  
36 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the  
37 additional credit under subsection (c) shall be combined on the tax  
38 statements sent to each taxpayer.

39 (e) Upon the recommendation of the redevelopment commission, the  
40 municipal legislative body (in the case of a redevelopment commission  
41 established by a municipality) or the county executive (in the case of a  
42 redevelopment commission established by a county) may, by  
43 resolution, provide that the additional credit described in subsection (c):

44 (1) does not apply in a specified allocation area; or

45 (2) is to be reduced by a uniform percentage for all taxpayers in  
46 a specified allocation area.

47 (f) Whenever the municipal legislative body or county executive



determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).".

Page 233, line 2, strike "IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),".

Page 233, strike line 3.

Page 233, line 4, strike "IC 6-1.1-21-2(g)(5)" and insert "**IC 6-10-2-35(1)(A), IC 6-10-2-35(2), IC 6-10-2-35(3), IC 6-10-2-35(4), and IC 6-10-2-35(5)**".

Page 233, line 7, strike "IC 6-1.1-21-2)" and insert "**IC 6-10-2-14**".

Page 233, line 8, strike "IC 6-1.1-21-4" and insert "**IC 6-10-3**".

Page 233, line 14, strike "IC 6-1.1-21-2)" and insert "**IC 6-10-3**".

Page 238, between lines 5 and 6, begin a new paragraph and insert: "SECTION 103. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 26.5. (a) As used

in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), (i), and (j), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (j), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each

1 taxpayer.

2 (g) This subsection applies to an allocation area if allocated taxes  
3 from that area were pledged to bonds, leases, or other obligations of the  
4 commission before May 8, 1989. A credit calculated using the method  
5 provided in subsection (e) may be granted under this subsection. The  
6 credit provided under this subsection is first applicable for the  
7 allocation area for property taxes first due and payable in 1992. The  
8 following apply to the determination of the credit provided under this  
9 subsection:

10 (1) Before June 15 of each year, the fiscal officer of the  
11 consolidated city shall determine and certify the following:

12 (A) All amounts due in the following year to the owners of  
13 outstanding bonds payable from the allocation area special  
14 fund.

15 (B) All amounts that are:

16 (i) required under contracts with bond holders; and

17 (ii) payable from the allocation area special fund to fund  
18 accounts and reserves.

19 (C) An estimate of the amount of personal property taxes  
20 available to be paid into the allocation area special fund under  
21 section 26.9(c) of this chapter.

22 (D) An estimate of the aggregate amount of credits to be  
23 granted if full credits are granted.

24 (2) Before June 15 of each year, the fiscal officer of the  
25 consolidated city shall determine if the granting of the full amount  
26 of credits in the following year would impair any contract with or  
27 otherwise adversely affect the owners of outstanding bonds  
28 payable from the allocation area special fund.

29 (3) If the fiscal officer of the consolidated city determines under  
30 subdivision (2) that there would not be an impairment or adverse  
31 effect:

32 (A) the fiscal officer of the consolidated city shall certify the  
33 determination; and

34 (B) the full credits shall be applied in the following year,  
35 subject to the determinations and certifications made under  
36 section 26.7(b) of this chapter.

37 (4) If the fiscal officer of the consolidated city makes an adverse  
38 determination under subdivision (2), the fiscal officer of the  
39 consolidated city shall determine whether there is an amount of  
40 partial credits that, if granted in the following year, would not  
41 result in the impairment or adverse effect. If the fiscal officer  
42 determines that there is an amount of partial credits that would not  
43 result in the impairment or adverse effect, the fiscal officer shall  
44 do the following:

45 (A) Determine the amount of the partial credits.

46 (B) Certify that determination.

47 (5) If the fiscal officer of the consolidated city certifies under

subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an

1 allocation area described in subsection (g).

2 (5) If the fiscal officer of the consolidated city determines that  
3 there would not be an impairment or adverse effect under  
4 subdivision (4):

5 (A) the fiscal officer shall certify that determination; and

6 (B) the full credits shall be applied against 1991 taxes payable  
7 in 1992 or the amount of the credits shall be paid to the  
8 taxpayers as provided in subdivision (12), subject to the  
9 determinations and certifications made under section 26.7(b)  
10 of this chapter.

11 (6) If the fiscal officer of the consolidated city makes an adverse  
12 determination under subdivision (4), the fiscal officer shall  
13 determine whether there is an amount of partial credits for 1990  
14 taxes payable in 1991 that, if granted against 1991 taxes payable  
15 in 1992 in addition to granting of the credits under subsection (g),  
16 would not result in the impairment or adverse effect.

17 (7) If the fiscal officer of the consolidated city determines under  
18 subdivision (6) that there is an amount of partial credits that would  
19 not result in the impairment or adverse effect, the fiscal officer  
20 shall determine the amount of partial credits and certify that  
21 determination.

22 (8) If the fiscal officer of the consolidated city certifies under  
23 subdivision (7) that partial credits may be paid, the partial credits  
24 shall be applied pro rata among all affected taxpayers against 1991  
25 taxes payable in 1992.

26 (9) An affected taxpayer may appeal any of the following to the  
27 circuit or superior court of the county in which the allocation area  
28 is located:

29 (A) A determination by the fiscal officer of the consolidated  
30 city that:

31 (i) credits may not be paid for 1990 taxes payable in 1991;  
32 or

33 (ii) only partial credits may be paid for 1990 taxes payable  
34 in 1991.

35 (B) A failure by the fiscal officer of the consolidated city to  
36 make a determination by June 15, 1991, of whether credits are  
37 payable under this subsection.

38 (10) An appeal of a determination must be filed not later than  
39 thirty (30) days after the publication of the determination. Any  
40 such appeal shall be decided by the court within sixty (60) days.

41 (11) An appeal of a failure by the fiscal officer of the consolidated  
42 city to make a determination of whether credits are payable under  
43 this subsection must be filed by July 15, 1991. Any such appeal  
44 shall be decided by the court within sixty (60) days.

45 (12) If 1991 taxes payable in 1992 with respect to a parcel are  
46 billed to the same taxpayer to which 1990 taxes payable in 1991  
47 were billed, the county treasurer shall apply to the tax bill for

1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to

1 which:

2 (A) taxes were billed to the same taxpayer for taxes payable in  
3 each year from 1987 through 1991; or

4 (B) an application was filed by November 30, 1991, under  
5 subdivision (8) for refund of the credits for prior years.

6 A report of the determination by parcel shall be sent by the county  
7 auditor to the department of local government finance and the  
8 budget agency within five (5) days of such determination.

9 (4) Before January 31, 1992, the county auditor shall determine  
10 the quotient of the amounts determined under subdivision (3) with  
11 respect to each parcel divided by six (6).

12 (5) Before January 31, 1992, the county auditor shall determine  
13 the quotient of the aggregate amounts determined under  
14 subdivision (3) with respect to all parcels divided by twelve (12).

15 (6) Except as provided in subdivisions (7) and (9), in each year in  
16 which credits from prior years remain unpaid, credits for the prior  
17 years in the amounts determined under subdivision (4) shall be  
18 applied as provided in this subsection.

19 (7) If taxes payable in the current year with respect to a parcel are  
20 billed to the same taxpayer to which taxes payable in all of the  
21 prior years were billed and if the amount determined under  
22 subdivision (3) with respect to the parcel is at least five hundred  
23 dollars (\$500), the county treasurer shall apply the credits  
24 provided for the current year under subsections (g) and (h) and the  
25 credit in the amount determined under subdivision (4) to the tax  
26 bill for taxes payable in the current year. However, if the amount  
27 determined under subdivision (3) with respect to the parcel is less  
28 than five hundred dollars (\$500) (referred to in this subdivision as  
29 "small claims"), the county may, at the election of the county  
30 auditor, either apply a credit in the amount determined under  
31 subdivision (3) or (4) to the tax bill for taxes payable in the  
32 current year or pay either amount to the taxpayer. If title to a  
33 parcel transfers in a year in which a credit under this subsection  
34 is applied to the tax bill, the transferor may file an application  
35 with the county auditor within thirty (30) days of the date of the  
36 transfer of title to the parcel for payments to the transferor at the  
37 same times and in the same amounts that would have been  
38 allowed as credits to the transferor under this subsection if there  
39 had not been a transfer. If a determination is made by the county  
40 auditor to refund or credit small claims in the amounts determined  
41 under subdivision (3) in 1992, the county auditor may make  
42 appropriate adjustments to the credits applied with respect to other  
43 parcels so that the total refunds and credits in any year will not  
44 exceed the payments made from the state property tax  
45 replacement fund to the prior year credit fund referred to in  
46 subdivision (11) in that year.

47 (8) If taxes payable in the current year with respect to a parcel are

1 billed to a taxpayer that is not a taxpayer to which taxes payable  
2 in all of the prior years were billed, the county treasurer shall do  
3 the following:

4 (A) Apply only the credits under subsections (g) and (h) to the  
5 tax bill for taxes payable in the current year.

6 (B) Give notice by June 30, 1991, by publication two (2) times  
7 in three (3) newspapers in the county with the largest  
8 circulation of the availability of a refund of the credit.

9 A taxpayer entitled to the credit must file an application for refund  
10 of the credit with the county auditor not later than November 30,  
11 1991. A refund shall be paid to an eligible applicant by May 10,  
12 1992.

13 (9) A taxpayer who filed an application by November 30, 1991,  
14 is entitled to payment from the county treasurer under subdivision  
15 (8) in an amount that is in the same proportion to the credit  
16 determined under subdivision (3) with respect to a parcel as the  
17 amount of taxes payable in the prior years paid by the taxpayer  
18 with respect to the parcel bears to the taxes payable in the prior  
19 years with respect to the parcel.

20 (10) In each year on May 1 and November 1, the state shall pay  
21 to the county treasurer from the state property tax replacement  
22 fund the amount determined under subdivision (5).

23 (11) All payments received from the state under subdivision (10)  
24 shall be deposited into a special fund to be known as the prior  
25 year credit fund. The prior year credit fund shall be used to make:

26 (A) payments under subdivisions (7) and (9); and

27 (B) deposits into the special fund for the application of prior  
28 year credits.

29 (12) All amounts paid into the special fund for the allocation area  
30 under subdivision (11) are subject to any pledge of allocated  
31 property tax proceeds made by the redevelopment district under  
32 section 26(d) of this chapter, including but not limited to any  
33 pledge made to owners of outstanding bonds of the redevelopment  
34 district of allocated taxes from that area.

35 (13) By January 15, 1993, and by January 15 of each year  
36 thereafter, the county auditor shall send to the department of local  
37 government finance and the budget agency a report of the receipts,  
38 earnings, and disbursements of the prior year credit fund for the  
39 prior calendar year. If in the final year that credits under  
40 subsection (i) are allowed any balance remains in the prior year  
41 credit fund after the payment of all credits payable under this  
42 subsection, such balance shall be repaid to the treasurer of state  
43 for deposit in the property tax replacement fund.

44 (14) In each year, the county shall limit the total of all refunds and  
45 credits provided for in this subsection to the total amount paid in  
46 that year from the property tax replacement fund into the prior  
47 year credit fund and any balance remaining from the preceding



1 year in the prior year credit fund.

2 (j) This subsection applies to an allocation area only to the extent  
3 that the net assessed value of property that is assessed as residential  
4 property under the rules of the department of local government finance  
5 is not included in the base assessed value. If property tax installments  
6 with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**)  
7 are due in installments established by the department of local  
8 government finance under IC 6-1.1-22-9.5, each taxpayer subject to  
9 those installments in an allocation area is entitled to an additional credit  
10 under subsection (e) for the taxes (as defined in ~~IC 6-1.1-21-2~~)  
11 **IC 6-10-2**) due in installments. The credit shall be applied in the same  
12 proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~):  
13 **IC 6-10-2**).".

14 Page 239, line 4, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

15 Page 239, line 26, strike IC 6-1.1-21-2(g)(1)(D)" and insert "**IC**  
16 **6-10-2-35(1)(D)**".

17 Page 240, between lines 4 and 5, begin a new paragraph and insert:

18 "SECTION 260. IC 36-7-15.1-35 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a)  
20 Notwithstanding section 26(a) of this chapter, with respect to the  
21 allocation and distribution of property taxes for the accomplishment of  
22 a program adopted under section 32 of this chapter, "base assessed  
23 value" means the net assessed value of all of the land as finally  
24 determined for the assessment date immediately preceding the effective  
25 date of the allocation provision, as adjusted under section 26(g) of this  
26 chapter. However, "base assessed value" does not include the value of  
27 real property improvements to the land.

28 (b) The special fund established under section 26(b) of this chapter  
29 for the allocation area for a program adopted under section 32 of this  
30 chapter may be used only for purposes related to the accomplishment  
31 of the program, including the following:

32 (1) The construction, rehabilitation, or repair of residential units  
33 within the allocation area.

34 (2) The construction, reconstruction, or repair of infrastructure  
35 (such as streets, sidewalks, and sewers) within or serving the  
36 allocation area.

37 (3) The acquisition of real property and interests in real property  
38 within the allocation area.

39 (4) The demolition of real property within the allocation area.

40 (5) To provide financial assistance to enable individuals and  
41 families to purchase or lease residential units within the allocation  
42 area. However, financial assistance may be provided only to those  
43 individuals and families whose income is at or below the county's  
44 median income for individuals and families, respectively.

45 (6) To provide financial assistance to neighborhood development  
46 corporations to permit them to provide financial assistance for the  
47 purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)~~ through ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9 are due and payable in May and November of a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~ **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**).".

Page 242, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 106. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53

1 of this chapter.

2 (b) As used in this section, "taxing district" has the meaning set forth  
3 in IC 6-1.1-1-20.

4 (c) Subject to subsection (e) and except as provided in subsection  
5 (h), each taxpayer in an allocation area is entitled to an additional credit  
6 for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under  
7 IC 6-1.1-22-9 are due and payable in May and November of that year.  
8 Except as provided in subsection (h), one-half (1/2) of the credit shall  
9 be applied to each installment of taxes (as defined in IC 6-1.1-21-2).  
10 This credit equals the amount determined under the following STEPS  
11 for each taxpayer in a taxing district that contains all or part of the  
12 allocation area:

13 STEP ONE: Determine that part of the sum of the amounts under  
14 ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),~~  
15 ~~IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is  
16 attributable to the taxing district.

17 STEP TWO: Divide:

18 (A) that part of each county's eligible property tax replacement  
19 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year  
20 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is  
21 attributable to the taxing district; by

22 (B) the STEP ONE sum.

23 STEP THREE: Multiply:

24 (A) the STEP TWO quotient; times

25 (B) the total amount of the taxpayer's taxes (as defined in  
26 ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that  
27 would have been allocated to an allocation fund under section  
28 53 of this chapter had the additional credit described in this  
29 section not been given.

30 The additional credit reduces the amount of proceeds allocated to the  
31 development district and paid into an allocation fund under section  
32 53(b)(2) of this chapter.

33 (d) If the additional credit under subsection (c) is not reduced under  
34 subsection (e) or (f), the credit for property tax replacement under  
35 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)  
36 shall be computed on an aggregate basis for all taxpayers in a taxing  
37 district that contains all or part of an allocation area. The credit for  
38 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the  
39 additional credit under subsection (c) shall be combined on the tax  
40 statements sent to each taxpayer.

41 (e) Upon the recommendation of the commission, the excluded city  
42 legislative body may, by resolution, provide that the additional credit  
43 described in subsection (c):

44 (1) does not apply in a specified allocation area; or

45 (2) is to be reduced by a uniform percentage for all taxpayers in  
46 a specified allocation area.

47 (f) Whenever the excluded city legislative body determines that

granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the excluded city legislative body must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).".

Page 243, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 267. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally

determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium

on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~, ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21~~ **IC 6-10-3**.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable



property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for

1 county and township officials to follow to assist the department in  
2 making the adjustments.

3 SECTION 108. IC 36-7-30-27 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 27. (a) As used  
5 in this section, "allocation area" has the meaning set forth in section 25  
6 of this chapter.

7 (b) As used in this section, "taxing district" has the meaning set forth  
8 in IC 6-1.1-1-20.

9 (c) Subject to subsection (e) and except as provided in subsection (h),  
10 each taxpayer in an allocation area is entitled to an additional credit for  
11 taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9  
12 are due and payable in May and November of that year. Except as  
13 provided in subsection (h), one-half (1/2) of the credit shall be applied  
14 to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**).  
15 This credit equals the amount determined under the following STEPS  
16 for each taxpayer in a taxing district that contains all or part of the  
17 allocation area:

18 STEP ONE: Determine that part of the sum of the amounts under  
19 ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),~~  
20 ~~IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is  
21 attributable to the taxing district.

22 STEP TWO: Divide:

23 (A) that part of each county's eligible property tax replacement  
24 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year  
25 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is  
26 attributable to the taxing district; by

27 (B) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; times

30 (B) the total amount of the taxpayer's taxes (as defined in  
31 ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that  
32 would have been allocated to an allocation fund under section  
33 25 of this chapter had the additional credit described in this  
34 section not been given.

35 The additional credit reduces the amount of proceeds allocated to the  
36 military base reuse district and paid into an allocation fund under  
37 section 25(b)(2) of this chapter.

38 (d) If the additional credit under subsection (c) is not reduced under  
39 subsection (e) or (f), the credit for property tax replacement under  
40 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)  
41 shall be computed on an aggregate basis for all taxpayers in a taxing  
42 district that contains all or part of an allocation area. The credit for  
43 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the  
44 additional credit under subsection (c) shall be combined on the tax  
45 statements sent to each taxpayer.

46 (e) Upon the recommendation of the reuse authority, the municipal  
47 legislative body (in the case of a reuse authority established by a

1 municipality) or the county executive (in the case of a reuse authority  
 2 established by a county) may by resolution provide that the additional  
 3 credit described in subsection (c):

4 (1) does not apply in a specified allocation area; or

5 (2) is to be reduced by a uniform percentage for all taxpayers in  
 6 a specified allocation area.

7 (f) If the municipal legislative body or county executive determines  
 8 that granting the full additional credit under subsection (c) would  
 9 adversely affect the interests of the holders of bonds or other  
 10 contractual obligations that are payable from allocated tax proceeds in  
 11 that allocation area in a way that would create a reasonable expectation  
 12 that those bonds or other contractual obligations would not be paid  
 13 when due, the municipal legislative body or county executive must  
 14 adopt a resolution under subsection (e) to deny the additional credit or  
 15 reduce the credit to a level that creates a reasonable expectation that the  
 16 bonds or other obligations will be paid when due. A resolution adopted  
 17 under subsection (e) denies or reduces the additional credit for property  
 18 taxes first due and payable in the allocation area in any year following  
 19 the year in which the resolution is adopted.

20 (g) A resolution adopted under subsection (e) remains in effect until  
 21 rescinded by the body that originally adopted the resolution. However,  
 22 a resolution may not be rescinded if the rescission would adversely  
 23 affect the interests of the holders of bonds or other obligations that are  
 24 payable from allocated tax proceeds in that allocation area in a way that  
 25 would create a reasonable expectation that the principal of or interest  
 26 on the bonds or other obligations would not be paid when due. If a  
 27 resolution is rescinded and no other resolution is adopted, the additional  
 28 credit described in subsection (c) applies to property taxes first due and  
 29 payable in the allocation area in each year following the year in which  
 30 the resolution is rescinded.

31 (h) This subsection applies to an allocation area only to the extent  
 32 that the net assessed value of property that is assessed as residential  
 33 property under the rules of the department of local government finance  
 34 is not included in the base assessed value. If property tax installments  
 35 with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**)  
 36 are due in installments established by the department of local  
 37 government finance under IC 6-1.1-22-9.5, each taxpayer subject to  
 38 those installments in an allocation area is entitled to an additional credit  
 39 under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~)  
 40 **IC 6-10-2**) due in installments. The credit shall be applied in the same  
 41 proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~)  
 42 **IC 6-10-2**).".

43 Page 245, between lines 6 and 7, begin a new paragraph and insert:

44 "SECTION 268. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005,  
 45 SECTION 11, IS AMENDED TO READ AS FOLLOWS  
 46 [EFFECTIVE JANUARY 1, 2007]: Sec. 30. (a) The following  
 47 definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the

1 following:

2 (A) Pay the principal of and interest and redemption premium  
3 on any obligations incurred by the development authority or  
4 any other entity for the purpose of financing or refinancing  
5 military base development or reuse activities in or directly  
6 serving or benefitting that allocation area.

7 (B) Establish, augment, or restore the debt service reserve for  
8 bonds payable solely or in part from allocated tax proceeds in  
9 that allocation area or from other revenues of the development  
10 authority, including lease rental revenues.

11 (C) Make payments on leases payable solely or in part from  
12 allocated tax proceeds in that allocation area.

13 (D) Reimburse any other governmental body for expenditures  
14 made for local public improvements (or structures) in or  
15 directly serving or benefitting that allocation area.

16 (E) Pay all or a part of a property tax replacement credit to  
17 taxpayers in an allocation area as determined by the  
18 development authority. This credit equals the amount  
19 determined under the following STEPS for each taxpayer in a  
20 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
21 part of the allocation area:

22 STEP ONE: Determine that part of the sum of the amounts  
23 under ~~IC 6-1.1-21-2(g)(1)(A)~~; ~~IC 6-1.1-21-2(g)(2)~~;  
24 ~~IC 6-1.1-21-2(g)(3)~~; ~~IC 6-1.1-21-2(g)(4)~~; and  
25 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing  
26 district.

27 STEP TWO: Divide:

28 (i) that part of each county's eligible property tax  
29 replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**)  
30 for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3**  
31 that is attributable to the taxing district; by

32 (ii) the STEP ONE sum.

33 STEP THREE: Multiply:

34 (i) the STEP TWO quotient; by

35 (ii) the total amount of the taxpayer's taxes (as defined in  
36 ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that  
37 have been allocated during that year to an allocation fund  
38 under this section.

39 If not all the taxpayers in an allocation area receive the credit  
40 in full, each taxpayer in the allocation area is entitled to receive  
41 the same proportion of the credit. A taxpayer may not receive  
42 a credit under this section and a credit under section 32 of this  
43 chapter in the same year.

44 (F) Pay expenses incurred by the development authority for  
45 local public improvements or structures that were in the  
46 allocation area or directly serving or benefitting the allocation  
47 area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-11-21~~ **IC 6-10-3**.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition

1 of the development authority, reassess the taxable property situated  
2 upon or in or added to the allocation area, effective on the next  
3 assessment date after the petition.

4 (f) Notwithstanding any other law, the assessed value of all taxable  
5 property in the allocation area, for purposes of tax limitation, property  
6 tax replacement, and the making of the budget, tax rate, and tax levy for  
7 each political subdivision in which the property is located is the lesser  
8 of:

9 (1) the assessed value of the property as valued without regard to  
10 this section; or

11 (2) the base assessed value.

12 (g) If any part of the allocation area is located in an enterprise zone  
13 created under IC 5-28-15, the development authority shall create funds  
14 as specified in this subsection. A development authority that has  
15 obligations, bonds, or leases payable from allocated tax proceeds under  
16 subsection (b)(2) shall establish an allocation fund for the purposes  
17 specified in subsection (b)(2) and a special zone fund. The development  
18 authority shall, until the end of the enterprise zone phase out period,  
19 deposit each year in the special zone fund any amount in the allocation  
20 fund derived from property tax proceeds in excess of those described  
21 in subsection (b)(1) from property located in the enterprise zone that  
22 exceeds the amount sufficient for the purposes specified in subsection  
23 (b)(2) for the year. The amount sufficient for purposes specified in  
24 subsection (b)(2) for the year shall be determined based on the pro rata  
25 part of such current property tax proceeds from the part of the  
26 enterprise zone that is within the allocation area as compared to all such  
27 current property tax proceeds derived from the allocation area. A  
28 development authority that does not have obligations, bonds, or leases  
29 payable from allocated tax proceeds under subsection (b)(2) shall  
30 establish a special zone fund and deposit all the property tax proceeds  
31 in excess of those described in subsection (b)(1) that are derived from  
32 property in the enterprise zone in the fund. The development authority  
33 that creates the special zone fund shall use the fund (based on the  
34 recommendations of the urban enterprise association) for programs in  
35 job training, job enrichment, and basic skill development that are  
36 designed to benefit residents and employers in the enterprise zone or for  
37 other purposes specified in subsection (b)(2), except that where  
38 reference is made in subsection (b)(2) to an allocation area it shall refer  
39 for purposes of payments from the special zone fund only to that part  
40 of the allocation area that is also located in the enterprise zone. The  
41 programs shall reserve at least one-half (1/2) of their enrollment in any  
42 session for residents of the enterprise zone.

43 (h) After each general reassessment under IC 6-1.1-4, the  
44 department of local government finance shall adjust the base assessed  
45 value one (1) time to neutralize any effect of the general reassessment  
46 on the property tax proceeds allocated to the military base development  
47 district under this section. However, the adjustment may not include the

effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 269. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 32. (a) As used in this section, "allocation area" has the meaning set forth in section 30 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for



property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the development authority, the municipal legislative body of an affected municipality or the county executive of an affected county may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).

SECTION 270. IC 36-7-32-18 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 18. (a) A redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ through ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3**."

Page 255, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 271. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2007]: IC 6-1.1-20.9; IC 6-1.1-21;

IC 12-19-7-2; IC 12-19-7-4; IC 12-19-7-3; IC 33-38-4-5; IC 33-38-5-2;  
IC 33-38-5-3; IC 33-41-2-7; IC 33-41-2-8."

Page 257, delete line 42, begin a new paragraph and insert:

**"(f) The power of a county to impose an ad valorem property tax for the following funds is terminated on December 31, 2006:**

**(1) Family and children's fund.**

**(2) County medical assistance to wards fund.**

**(3) Children's psychiatric residential treatment services fund.**

**(4) Children with special health care needs county fund.**

**(g) Notwithstanding P.L.246-2005, the amount appropriated to the department of education from the property tax replacement fund for distributions for tuition support shall be paid after December 31, 2006, and before July 1, 2007, from the state general fund."**

Page 258, delete lines 1 through 10.

Page 261, between lines 20 and 21, begin a new paragraph and insert:

**"SECTION 290. [EFFECTIVE JULY 1, 2006] (a) The department of local government finance shall reduce the property tax levy limits and property tax rate limits that apply to a county to reflect the elimination of a county's responsibility for court related expenditures and the transfer of these responsibilities to the state.**

**(b) The responsibility for the payment of court related expenditures, as described in the 2004 Indiana Judicial Services Report, Volume III, prepared by the division of state court administration of the supreme court, are transferred to the division of state court administration of the supreme court, beginning January 1, 2007. If a county increased the salary of a judge under IC 36-2-5-14 above the minimum salary established by statute, the state shall assume the responsibility for continuing the payment of that component of the judge's salary through the end of the judge's current term as a judge. The additional compensation terminates on the earlier of the date that:**

**(1) the judge's term expires; or**

**(2) there is a vacancy in the judicial office held by the judge.**

**The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-14, as added by this act, for the period beginning January 1, 2007, and ending June 30, 2007, in the manner and on the schedule determined by the budget agency. The consolidated budget shall be the basis for court related expenditures under IC 33-23-14, as added by this act, for the period beginning January 1, 2007, and ending June 30, 2007. The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-14, as added by this act, for the period beginning July 1, 2007, and ending June 30, 2009, in the same manner and on the same schedule as the supreme court**

1 submits the remainder of its budget. The state board of accounts  
 2 and the department of local government finance shall assist  
 3 counties and the supreme court in transferring responsibility for  
 4 the payment of court expenditures under IC 33-23-14, as added by  
 5 this act, to the supreme court, division of state court  
 6 administration. The supreme court, with the approval of the  
 7 budget agency, may enter into agreements with a county auditor or  
 8 county treasurer, or both, of any county to provide for an orderly  
 9 transition of payment responsibilities from the county to the state.

10 (c) Notwithstanding the January 1, 2007, effective date of  
 11 IC 6-10 and IC 33-23-14, as added by this act, county tax levies, tax  
 12 rates, and budgets adopted in 2006 for 2007 shall reflect the  
 13 changes made by this act.

14 (d) Money appropriated by P.L.246-2005 for the period  
 15 beginning July 1, 2006, and ending June 30, 2007, to the property  
 16 tax replacement fund board for distributions to counties to replace  
 17 revenue lost as a result of the granting of homestead credits and  
 18 property tax replacement credits may be used to:

19 (1) make distributions to counties under IC 6-10-7, as added  
 20 by this act; and

21 (2) pay court expenditures under IC 33-23-14, as added by  
 22 this act;

23 beginning July 1, 2006, and ending June 30, 2007. The amount of  
 24 the appropriation for tuition support that is authorized in  
 25 P.L.246-2005 from the property tax replacement fund shall be paid,  
 26 after December 31, 2006, from the state general fund. There is  
 27 appropriated any additional amounts necessary to the auditor of  
 28 state from the state general fund to make the distributions to  
 29 counties required under IC 6-10-7, as added by this act. There is  
 30 appropriated any additional amounts necessary to the supreme  
 31 court from the state general fund for court expenditures under  
 32 IC 33-23-14, as added by this act.

33 (e) The legislative council shall provide for introduction of  
 34 legislation in the 2007 session of the general assembly to bring the  
 35 statutes into conformity with this act.

36 (f) IC 6-10 applies to taxable years beginning after December 31,  
 37 2006."

38 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

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Representative Turner